HDFC MUTUAL FUND
BHAROSA APNO KA

Monthly Musings

September 2021

DECODING HYBRID FUNDS

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

Index

Message from Navneet

Learning to swim does evoke a sense of fear in most beginners, if not all. The biggest challenge however could arguably lie in the mind, rather than the water. Most of the people who fail in their endeavour to learn swimming perceive water as their adversary, end up developing a phobia and more often than not stay a yard or two away from any water body for the rest of their lives.

Mr. Navneet Munot,
MD & CEO, HDFC Asset
Management Company Limited

Something similar happens with investors, especially those who are relatively inexperienced on this front. Investors tend to view volatility in financial markets with an enormous sense of fear and at times, end up giving up on their financial plan with first signs of any market turmoil or upheaval. More often than not, such investors adopt an extremely risk averse approach and stay away from equities.

Just as one cannot view water as an adversary when it comes to swimming, an investor cannot consider market volatility as one's nemesis. Volatility has been synonymous with financial markets since time immemorial and as ironical as it may sound, it will continue to be the only constant in financial markets forever. If at all anything, volatility can be an investor's friend for long term wealth creation - Yes, it does sound counter-intuitive but it is true nonetheless. Some of the best returns are yielded on investments made during market turmoil, post sharp drawdowns/ corrections when the market levels are at a low ebb.

Does that mean that one should ignore the aspect of volatility completely? The answer is no. Considering that market volatility can be unnerving for most, one can mitigate it to an extent by diversifying the portfolio across asset classes with low correlation like Equity, Debt, Gold etc., as per one's financial goals. This could help avoid the prospect of your portfolio value moving up and down like a frenetic roller coaster and more importantly, could help avoid panic-stricken investment decisions during bouts of market volatility. Quite simply, one can compare asset allocation to a 'Float' that can be used to get a hang of swimming. However, unlike swimming, where you would let go of floats sooner or later, one should stick with asset allocation throughout one's investment journey.

This is easier said than done, with investor emotions ranging from euphoria to fear putting paid to the best of asset allocation plans. Thankfully, for investors, hybrid funds provide a convenient route to asset allocation. Today, investors can choose from a variety of options across hybrid categories like Equity Savings, Conservative Hybrid Funds, Asset Allocation Fund of Funds, Multi Asset Allocation Funds, Aggressive Hybrid Funds and Balanced Advantage Funds.

In this edition of monthly musings, we take a closer look at how hybrid funds can help mitigate portfolio volatility and also touch base on positioning of different hybrid funds from HDFC Mutual Fund. We hope you find this edition useful and it helps you make a prudent choice in identifying a category/scheme best suited to meet your financial goals.

As mentioned earlier, getting scared of volatility is not a good option in the journey of wealth creation. Having sound asset allocation, through investments in hybrid funds, can help you breathe easy and maybe, to even stop looking at volatility as an adversary.

Cover Story

Decoding Hybrid Funds

Hybrid Funds – The Quintessential Gastronomy Connection

The making of the ubiquitous "roti" also known as "chapati" or the Indian flatbread, requires a combination of wheat flour ("atta") and some water, to make the dough. It is then divided into small dough balls and rolled to make a chapati. But, if you roast it with "ghee" or clarified butter it becomes a "paratha" or if you deep fry, it becomes a "Puri" and if you mix some ghee to the dough and then bake the dough balls, it becomes a "Bati", a Rajasthani accompaniment. So, even if the basic ingredients are same, i.e wheat flour and water, changing proportion of ingredients and adding a couple more of them or tweaking the preparation method, will give a remarkably different end result.

Hybrid funds are also similar in many ways, wherein the main ingredients of investments are Equity, Debt and Gold. Hybrid funds effectively blend two or all of these asset classes to optimize risk and returns to suit the need of investors with varying risk tolerance. Each asset class has a role to play in the composition of a hybrid fund -

- Equity – Growth of Capital
- Debt – Stability of Capital
- Gold – Hedge against inflation and uncertainties

Why Hybrid Funds?

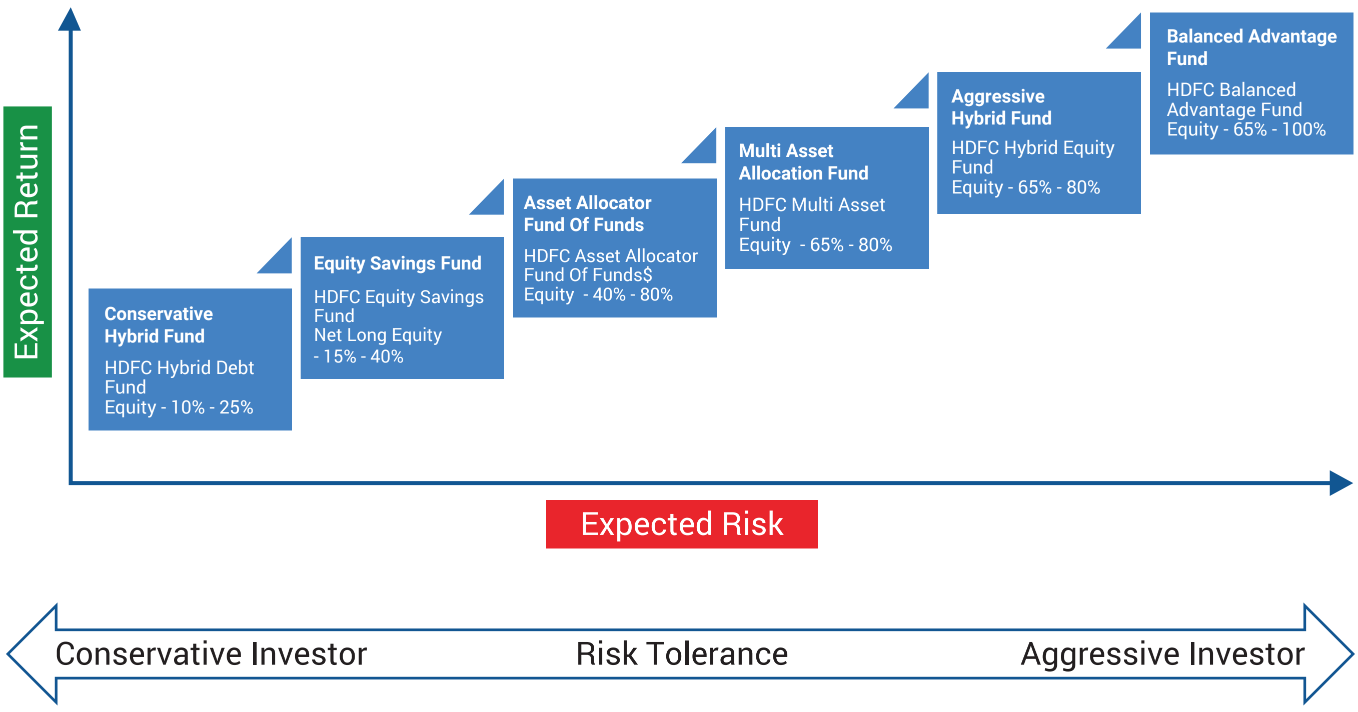
While each asset class has a specific role to play, we also observe that different asset classes perform differently under each market cycle. Remember, when equity markets fell sharply last year amid the emergence of Covid-19 pandemic, gold prices went up during the same period.

As these asset classes have low or negative correlation amongst themselves, investment in multiple asset classes helps reduce the volatility of the overall portfolio during period of sharp movements in a single asset class. The non-unidirectional relationship between various asset classes is the key reason why hybrid funds are a great choice for individual investors.

How do we choose among Hybrid funds?

Risk, in theory, is directly proportional to return which means higher the expected risk, higher is the expected return and vice a versa. So it is important to assess risk tolerance level before choosing a hybrid fund.

Let us have a look at the range of Hybrid Funds offered by HDFC MF and how each one caters to different investor needs. Based on the Asset allocation, especially the exposure to equities, one hybrid fund varies from another. The equity allocation ranges from minimum 10% to maximum 100% and there are six different categories under hybrid funds to suit different investor segments from conservative to aggressive:



Disclaimer: In view of the individual circumstances and risk tolerance, each investor is advised to consult his / her professional advisor before making a decision to invest.

Arbitrage Fund is also classified as hybrid fund but is not considered for potential long term capital appreciation, hence not covered in this document.

$ this Fund invest in equity, debt and gold mutual fund schemes and thus indirectly takes exposure to various asset classes.

1) HDFC Hybrid Debt Fund

- Ideal for investors looking for returns greater than traditional instruments
- Equity Allocation – 23.52%*
- Debt Taxation#
- Since its inception i.e. December 26, 2003, the scheme has generated a CAGR of 10.45%*

2) HDFC Equity Savings Fund

- Ideal for investors looking for higher growth than traditional fixed income instruments and are tolerant to little volatility
- Net Long Equity Allocation – 40.44%*
- Equity Taxation#
- Since its inception i.e. September 17, 2004, the scheme has generated a CAGR of 9.55%*

3) HDFC Asset Allocator Fund of Funds

- Diversification across various underlying funds
- Equity Allocation in terms of Equity Oriented Funds – 52.18%*
- Model based Asset Allocation
  - Equity, Debt and Gold Allocation is decided based on the model
  - Within Equity, model again decides between Base allocation i.e. based on market capitalisation and tactical allocation i.e. based on fund manager's view on the market.
- Negative to low correlation among Equity, Debt and Gold –a strong case for diversification
- Ideal for investors looking for easy asset allocation solution
- Debt Taxation#

4) HDFC Multi Asset Fund

- Process driven financial model based portfolio
  - Model decides unhedged equity allocation
  - Arbitrage is considered to bridge the differential allocation to equities, if unhedged Equity allocation is less than 65%

- Negative to low correlation among Equity, Debt and Gold –a strong case for diversification
- Net Long Equity Allocation – 50.43%*
- Equity Taxation#
- Since its inception i.e. August 17, 2005, the scheme has generated CAGR return of 10.07%*

5) HDFC Hybrid Equity Fund

- Twin benefit i.e. growth of equity and stability of debt
- Track record of 21 years
- Equity Allocation – 71.26%*
- Equity Taxation#
- Since its inception i.e. September 11, 2000, the scheme has generated CAGR return of 15.87%*
- A monthly SIP of Rs 10,000 on the first business day of every month in this scheme since inception ie September 11, 2000 would have grown to Rs 1.81 crore*^

6) HDFC Balanced Advantage Fund

- Equity and Debt allocation is managed dynamically and is a function of interest rates, equity valuations, medium to long term outlook of the asset classes and risk management, etc.
- Track record of 27 years
- Gross Equity Allocation – 66.49%
- Equity Taxation#
- Since its inception i.e. February 1, 1994, the scheme has generated CAGR return of 18.08%*
- A monthly SIP of Rs 10,000 on the first business day of every month in the Scheme since inception i.e. February 1, 1994 would have grown to Rs 7.98 crore*^

*Data as on August 31, 2021. CAGR- Compound Annual Growth Rate. For complete details on performance of these schemes, click here

In view of individual nature of tax consequences, each unit holder is advised to consult his/her own professional tax advisors.

^ Past performance may or may not be sustained in future. HDFC AMC/ HDFC MF is not guaranteeing any returns on investment in the schemes. Load is not taken into consideration and the returns are of Growth Plan/Option. In case the SIP date falls on a non-business day, the SIP is processed on the next business day

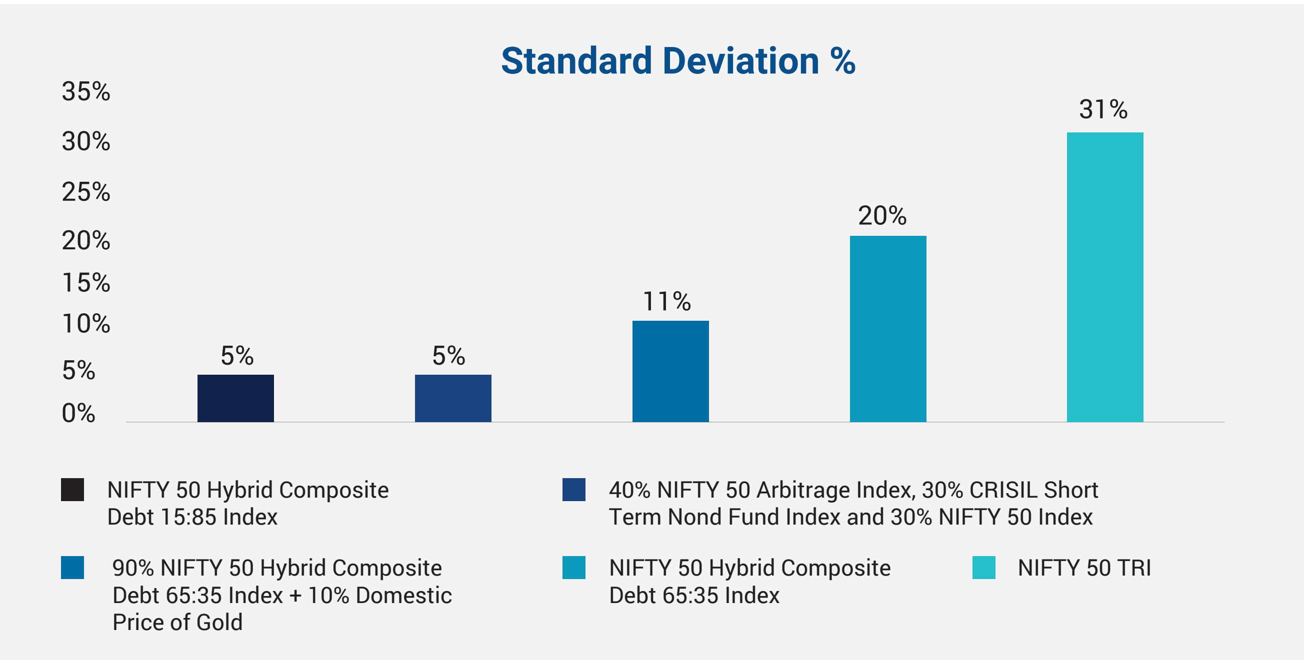
Hybrid Funds – The Low - Volatility option compared to pure Equity Funds

Emotions play an important role in decision making by an investor, especially when markets are highly volatile because it tests investor's ability to hold or buy. When markets correct, fear takes over and investors overestimate the risk of losing money in a portfolio which may lead to panic sale. In March 2020, when markets corrected due to the Covid – 19 pandemic, the actual risk of losing money in the market might have been low for a long term investor, but perceived risk was very high which led to investor withdrawing money from the market.

Hybrid Funds help to lower volatility as compared to pure equity funds and thereby may reduce panic amongst investors during sharp fall in markets.

But how do we measure volatility?

Standard deviation is used to measure market volatility i.e. measuring how widely a series of variables are dispersed from its mean. For instance, if the returns of a fund vary in a narrow range, then standard deviation will have a relatively lower value, which means lower volatility and vice versa. Below mentioned graph measures the Standard Deviation of Hybrid Funds' Benchmarks vs NIFTY 50 TRI.



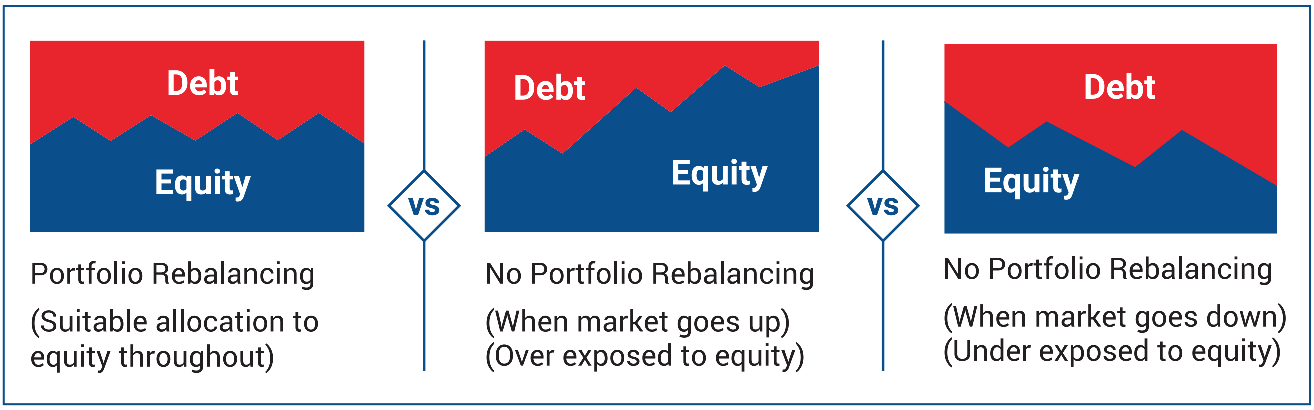
Source:-MFI, www.niftyindices.com. Gold price is from World Gold Council and internal calculation. Data from December 31, 2001 to December 31 2020 or inception of index whichever is later.
Standard Deviation is calculated on annual calendar year returns.

From the graph, we may say that volatility of a fund is a function of equity exposure in its portfolio and the risks involved in a hybrid fund is relatively lower than that of a pure equity fund.

Hybrid Funds – A portfolio rebalancing approach to investing

Portfolio rebalancing means selling an asset which has contributed in the portfolio return and buying an asset which has not contributed in the overall returns of the portfolio. In a nutshell, rebalancing follows an investment tenet of *"Buy Low and Sell High"*.

Rebalancing of portfolio is an important step in controlling risk over time. Markets do not always move in single direction and when the tide turns, you may realize that you are over/under exposed to risk if you do not periodically rebalance. The below charts shows investors who start off the investment journey with suitable allocation to debt and equity but where one has done rebalancing and other has not.



Also, individually rebalancing the portfolio may become difficult because you may not like to sell the assets which are performing well and then there are costs associated with redemption such as Exit Load or Short/Long Term Capital Gain Tax#.

In such a situation what do we do?

Hybrid Funds tend to provide a solution to rebalance the portfolio and they may be classified based on asset allocation as:

- **Static Asset Allocation -** where the exposure to assets are predefined. For example - HDFC Hybrid Debt Fund, HDFC Equity Savings Fund and HDFC Hybrid Equity Fund.

- **Dynamic Asset Allocation -** where the exposure is managed dynamically on the basis of valuation models or on the basis on fund manager views of the market. For example - HDFC Asset Allocator Fund of Funds, HDFC Multi Asset Fund and HDFC Balanced Advantage Fund.

Since the Fund Manager is rebalancing the portfolio, incidence of short/ long term capital gain tax is not applicable to the fund and consequently there will be no impact on investors in the fund.

In view of the individual circumstances and risk profile, each investor is advised to consult his / her professional advisor before making a decision to invest.

Hybrid Funds – An Ideal Base to Create Pension Stream

Retirees mostly depend on their income from investments for meeting their monthly expenses and, therefore, require regular cash flows from their investments. Traditionally, in India, most retirees have relied on bank deposits for this purpose. However, one must realize that a 100% exposure to fixed income investments may not result in returns in excess of inflation. While, the risk appetite of a retiree is expected to be low, one can include some amount of equity exposure with the help of a hybrid fund or a combination of equity and debt fund. For instance, a 10% exposure to equities can be achieved through a mix of HDFC Hybrid Debt Fund and a pure debt fund, like HDFC Corporate Bond Fund.

To create a pension stream, one can start a Systematic Withdrawal Plan (SWP) with a monthly / quarterly frequency for a fixed amount. Depending on the investors requirement. SWP is reverse of Systematic Investment Plan i.e. SWP would generate fixed cash flows by redeeming units periodically on a fixed date for fixed term and for a fixed amount.

Conclusion

Whether an investor is investing for the first time or is an experienced investor, there is a hybrid fund for each to suit their requirement. All they need to do is to assess their risk tolerance level and choose the scheme that suits them.

Equity Linked Savings Scheme (ELSS) Vs Other Tax Saving instruments

Taxes can be a major portion of one's yearly expenditure, they can take away more than 30% of annual earnings of an individual who falls in the highest tax bracket. Usually, higher the earnings, the bigger is the tax bill. So much so that improper tax planning can possibly become the difference between meeting and failing to meet our investment objectives. And that is why, tax planning should form a focal part of our financial planning. A legitimate way of reducing your tax liability for a financial year is by investing in avenues falling under section 80 C of The Income-tax Act, 1961.

Several investments/expenditures such as ELSS mutual funds, life insurance premium, deposits in Public Provident Fund (PPF), principal repayment on housing loan, National Saving Certificates (NSC), etc., are covered under Section 80C. A comparison of some of these tax saving investment instruments is as below:

Particulars	ELSS	PPF#	NSC#	Bank FD with a 5-year lock-in^	Senior Citizens Savings Scheme #
Returns	Market linked	7.10%	6.80%	5.40%	7.40%
Minimum Investment (Rs.)	Rs. 500	Rs. 500 in a financial year	Rs. 1,000	Rs. 1,000	Rs. 1,000
Lock-in (years)	3 years	15 years@	5 years	5 years	5 years$
Tax Treatment	Dividend & capital gain^ is taxable	Interest income is tax free	Interest income is taxable	Interest income is taxable	Interest income is taxable
Risk profile	High	Low	Low	Low	Low

Source: https://www.indiapost.gov.in/Financial/Pages/Content/Post-Office-Saving-Schemes.aspx as at 31st August 2021
^ Latest 5 year term deposit rates (for deposits below Rs. 2 crores) declared by State Bank of India as at 31st August 2021
$Premature withdrawal is allowed subject to applicable charges/conditions
@Partial withdrawal is allowed after 5 financial years excluding the financial year of investment, subject to certain conditions
^LTCG upto INR 1,00,000 per annum is exempt from tax

A look at the above table may lead one to think that ELSS are more uncertain (as the returns are market linked) when compared to other options. Hence, the need to understand more about ELSS to know why it may potentially be a smart choice.

ELSS are equity oriented mutual fund schemes that invest a large proportion (at least 80%) of its corpus in equity and equity related instruments. ELSS is one of the tax saving options that offers the advantage of wealth creation, along with tax-planning. As these schemes invest major portion of their corpus in equities, their allows investors to participate in the long term growth journey of businesses in India, and thereby generate wealth in the long run. Just to give you a perspective, **ELSS category on an average has delivered 19.47% returns for the period March 31, 2001 to August 31, 2021, compared to 8.31% in PPF for the same period.** Even though they are not strictly comparable, Rs 1.5 lakh invested in PPF 15 years ago (taken 15 since it is the lock-in period for PPF) would be Rs 5.07 lakh as on August 31, 2021 vis-a-vis Rs 9.35 lakh when compared to a similar investment made in ELSS category average. (Data source: MFI and Bloomberg)

Further, while planning for Section 80C deduction, a salaried employee, by default will be eligible for deduction for Provident Fund (PF) contribution made by the employee. In addition to this, as a thumb rule, one could take a term plan which should ideally be 15-20x of the annual income. The remaining amount can be invested in ELSS. This will lead to a fine balance of exposure towards debt (contribution to PFs), term insurance and equities (investment in ELSS schemes).

To invest fully the amount of Rs 1.5 lakh for a financial year, even a small investment in ELSS year on year can make a huge difference to investors wealth. To put things in numbers, Rs 10,000/- invested in ELSS scheme every year for next 25 years can lead to a corpus of Rs 14.93 lakh (assuming returns of 12% p.a.). If the investment in ELSS increases to Rs 30,000/-, the corpus can grow to Rs 44.80 lakh.

Thus, investment in ELSS may indeed be a smart choice, as it not only helps us save tax but also has the potential to generate wealth over the long run.

HDFC Mutual Fund has its own ELSS offering – HDFC TaxSaver ("the Fund"). An investment in the Fund enables investors achieve diversification among equities, as its corpus is diversified across various sectors of the economy. The Fund invests across the market capitalization range, and manages its active positions in a controlled manner, with an objective of reducing risk. It has a preference for investing in companies that offer an acceptable risk reward balance. The Fund, therefore, provides investors with an opportunity to participate in the long term growth journey of businesses over the medium to long term.

To conclude, the importance of tax planning, and choosing the right tax-planning investment option, should not be understated. Paying taxes is an important way to contribute to the nation's development, but when there are options to reduce our tax bill in a legitimate manner, it is only smart to utilize the best suited one for you among these options.

Click here to know more about HDFC Taxsaver

An Individual/HUF is entitled to deduction from gross total income for investments in Equity Linked Savings Scheme (ELSS) up to Rs.1.5 Lakh (along with other prescribed investments) under Section 80C of the Income-tax Act,1961.
The information given is for general purposes only and is not an investment advise. **Investors should seek appropriate advice before taking a decision to invest in any Mutual Fund Scheme(s).** Past performance may or may not be sustained in future. 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. In view of individual nature of circumstances each investor should seek appropriate advice.

Jargon De-jargonised

What is Credit Rating?

There are two major types of risks that one needs to deal with while investing in debt or debt mutual funds –interest rate risk and credit risk. Interest rate risk is the risk that arises from change in interest rates in the economy while credit risk, also known as default risk, is the risk that the borrower may not repay the interest and principal on the committed date.

One of the ways to gauge the credit risk of the issuer is to look at its **credit rating.** A credit rating is an opinion of a credit agency regarding the ability and willingness of an entity (government, business, or individual) to fulfill its financial obligations in completeness and within the established due dates.

In India, there are credit rating agencies like CRISIL, ICRA, CARE, etc. that rate the issuer of the bond on the ability to repay the loan by assessing its overall financial health.

Types of rating

There are different types of credit ratings - long term ratings and short term ratings. Short term rating determines the probability of a borrower to default within one year. On the other hand, long-term ratings indicate the probability of a borrower to default in the extended future.

Long term rating typically range from AAA to D. Instruments with AAA rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. As we move down the credit curve from AAA to AA to A, the safety level decreases and the risk increases.

Similarly, short term ratings range from A1 to D, with A1 rated papers considered to have strong degree of safety.

Return Expectation

Since the risk is low in AAA rated papers, return expectation is also low. As you go down the credit curve and as the credit risk increases, the return expectation also increases. In terms of liquidity, higher rated papers are more liquid compared to lower rated papers.

Issuers and borrowers leverage on ratings for enhancing their access to funding and optimizing cost of funds. Ratings also act as benchmarks for pricing and trading of debt instruments for markets, at large.

Disclosure by mutual funds

It is mandatory for all mutual fund schemes to periodically disclose the portfolio of underlying instruments with details as to the credit rating and the agency that has assigned such rating of each debt instrument. This is useful data for an investor when it comes to choosing between various categories of debt funds. Some categories of mutual funds are defined as per the credit rating limits of their underlying portfolio. For instance, a Corporate Bond fund needs to invest at least 80% of its portfolio in AA+ and above, i.e. AAA / AA+ rated securities. Similarly, a Credit Risk Fund needs to invest at least 65% of its portfolio into securities rated lower than AA+.

Views expressed herein are as of 30th September 2021, involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied herein. HDFC Mutual Fund/AMC is not indicating or guaranteeing returns on any investments. Readers should seek professional advice before taking any investment related decisions and alone shall be responsible.

Fund Focus

HDFC Asset Allocator Fund of Funds

HDFC Asset Allocator Fund of Funds ("The Scheme") is a Fund of Funds scheme, investing in Equity oriented (40% to 80% of Total Assets), debt oriented (10% to 50% of Total Assets) and Gold ETF schemes (10% to 30% of Total Assets).

The Scheme adopts **a model driven approach to asset allocation with various valuation parameters** like Trailing 12 month Price/ Earnings, 1 Year Forward Price /Earnings (P/E), Trailing 12 month Price/Book Value and Earnings Yield/ G-Sec Yield indicating the % of Equity allocation. The portfolio is rebalanced on a monthly basis. Based on backtested results this financial model has indicated a reasonably optimal asset allocation during key events as show below.

Events	Month End	NIFTY 50 Level	Equity Allocation %	Next 1 year NIFTY 50 returns
Pre GFC Peak	Nov'07	5763	47%	-52%
Post GFC Trough	Oct'08	2886	80%	63%
Post GFC recovery	Oct'09	4712	46%	28%
Eurozone Debt Crisis	Sep'11	4943	80%	15%
Mid and Small Cap rally	Sep'18	10930	46%	5%
COVID-19 led	Apr'20	9860	78%	48%

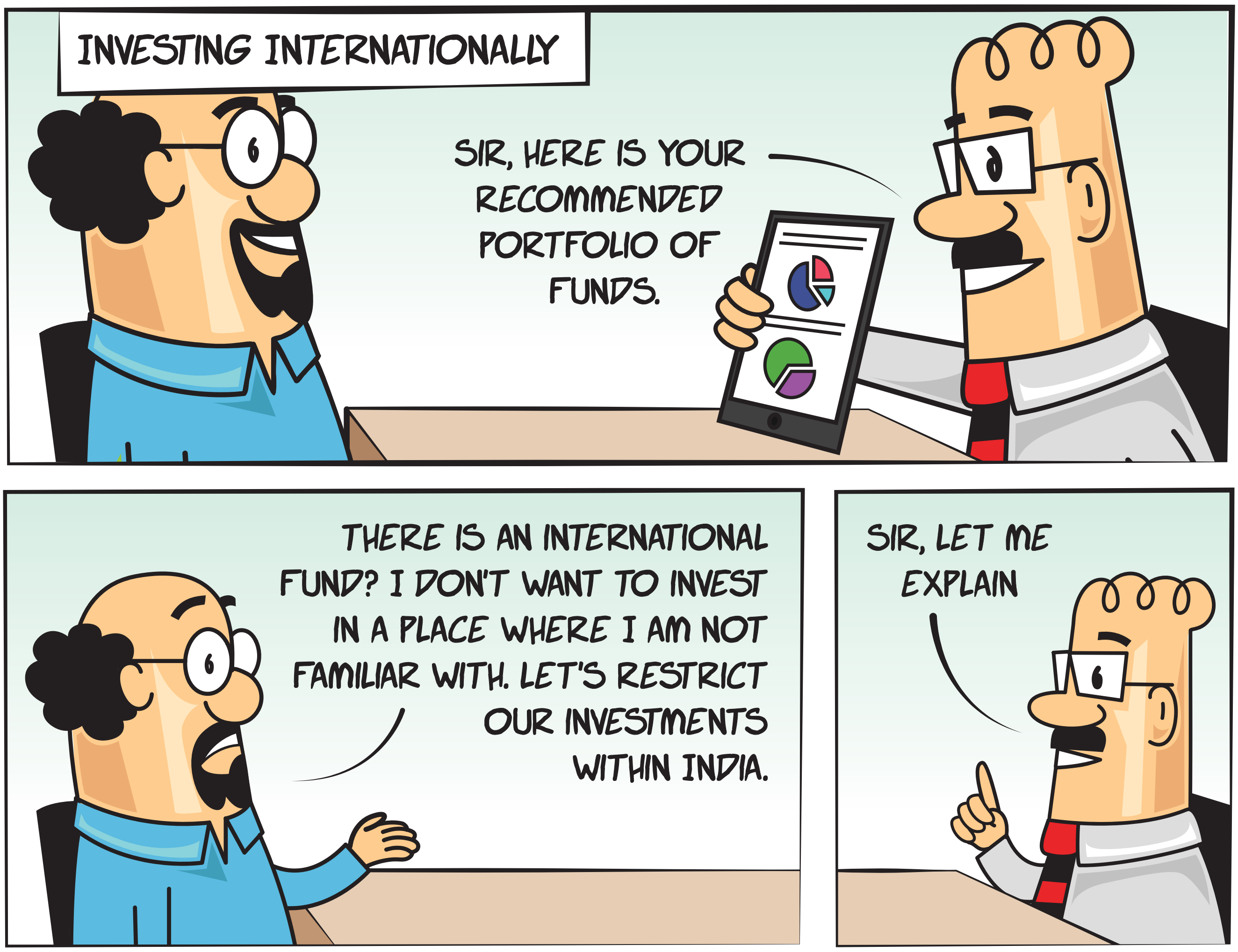
GFC – Global Financial Crisis
HDFC Mutual Fund/AMC is not guaranteeing returns on investments made in this scheme. The proposed investment strategy is subject to change depending on the market conditions. *The above data is just to indicate the key market events and resultantly higher and lower end of the equity allocation indicated by the model. For illustrative purposes only.*

As per indications of the financial model, the Fund Manager will increase exposure to Equity schemes when market valuations are attractive and will prune down the equity exposure when equity markets are expensive or volatile. This could help to mitigate the impact of market volatility on portfolio returns. Further, even within equity allocation, back-tested financial model will indicate the % of Mid-Cap and Small Cap allocation, basis valuation parameters like Trailing 12month P/E & 1 Year Forward P/E, with the portfolio being rebalanced on quarterly basis on this count.

As of 31-Aug-21, the Scheme had ~ 52% of its Total Assets in units of equity oriented schemes, 32% in units of debt oriented schemes, 11% in Gold ETF and ~5% in cash/cash equivalents. Please find detailed portfolio below

PORTFOLIO	
Issuer	**% to NAV**
MUTUAL FUND UNITS	
MUTUAL FUND UNITS - DEBT	
HDFC Short Term Debt Fund - Growth Option - Direct Plan	21.17
HDFC Low Duration Fund - Direct Plan - Growth Option	6.39
HDFC Credit Risk Debt Fund - Growth Option - Direct Plan	4.16
Sub Total	**31.72**
MUTUAL FUND UNITS - EQUITY	
HDFC Top 100 Fund - Direct Plan - Growth Option	9.93
HDFC Mid Cap Opportunities Fund - Direct Plan - Growth Option	9.82
HDFC Flexi Cap Fund - Direct Plan - Growth Option	9.77
HDFC Small Cap Fund - Direct Plan - Growth Option	9.56
HDFC Dividend Yield Fund - Direct Plan - Growth Option	4.97
HDFC Capital Builder Value Fund - Direct Plan - Growth Option	4.91
HDFC Large and Mid Cap Fund - Direct Plan - Growth Option	3.22
Sub Total	**52.18**
MUTUAL FUND UNITS - GOLD	
HDFC Gold Exchange Traded Fund	11.43
Sub Total	**11.43**
Total	**95.33**
Cash, Cash Equivalents and Net Current Assets	4.67
Sub Total	**100.00**

Never has the need for a diversified all-weather portfolio been more acute than today. In a world where volatility has become the norm of sorts, investors could consider HDFC Asset Allocator Fund of Funds (FoF) to meet their financial goals through sound asset allocation.



GOING GLOBAL HAS ITS BENEFITS

It's true that we are familiar with top companies in India as we personally use many of their products and services. Be it a large telecom player, a household FMCG brand, a software major or a domestic pharmaceutical business, we are extremely familiar with these names and are comfortable investing in them.

What about global companies listed in, say, developed countries? A quick look at these businesses tells us even these global names are not alien to us. Many of the products and services of world's most innovative companies which are into diverse fields from US, Europe, Japan and other developed countries are deeply ingrained in our lives. So it's time to overcome this discomfort and consider investing globally.

There are many benefits of investing internationally:

- Helps in portfolio diversification
- Enables participation in exclusive global themes that are not available in India currently
- Acts as hedge against rupee depreciation

Click here to know about a unique investment opportunity – HDFC Developed World Indexes Fund of Funds.
HDFC Mutual Fund/AMC is not indicating or guaranteeing returns on any investments. Readers should seek professional advice before taking any investment related decisions and alone shall be responsible.

Crossword

HDFC MUTUAL FUND
BHAROSA APNO KA

A	W	Q	P	A	S	V	M	C	W
V	O	L	A	T	I	L	I	T	Y
E	R	A	M	Q	Q	E	L	S	S
T	Y	Z	N	W	U	L	J	R	I
U	I	X	K	E	O	G	O	U	V
P	O	D	O	R	T	T	G	A	I
L	K	U	I	T	N	F	O	Q	A
J	G	Y	J	T	R	O	D	I	E
D	I	V	I	D	E	N	D	O	N
V	N	T	H	Y	E	F	S	D	D

Find the words using the hints below:

- A portion of a company's earnings distributed to its shareholders.
- Commonly known name for Mutual Fund Schemes for tax savings.
- A marketable security that tracks an index, a commodity, bonds, or a basket of assets like an index fund.
- The degree of fluctuation in the price of the stock or other security.
- When a Mutual Fund wishes to launch a new scheme in the market, it does so by way of a ______ .

Solutions

Dividend ELSS ETF Volatility NFO

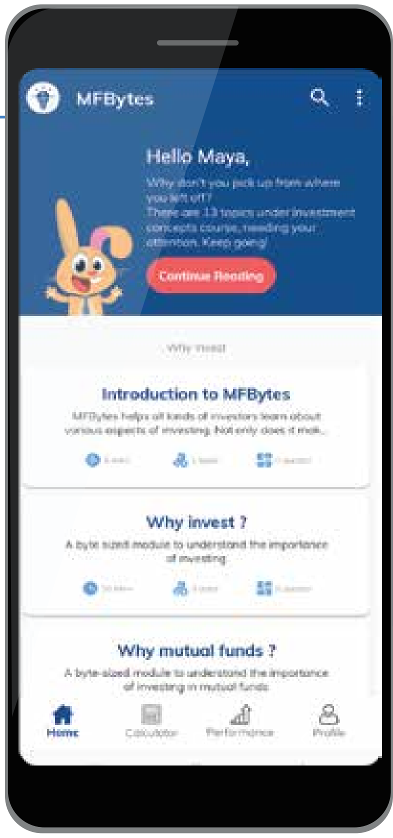
HDFC MFBytes

An Investor Education Initiative

HDFC MUTUAL FUND
BHAROSA APNO KA

This interactive and informative app makes learning fun and simple.

With this app, you can learn about Mutual Fund investments on-the-go.



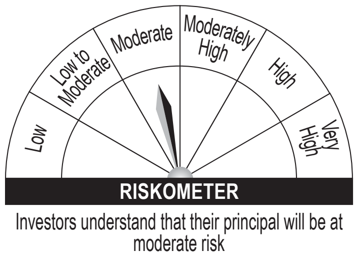
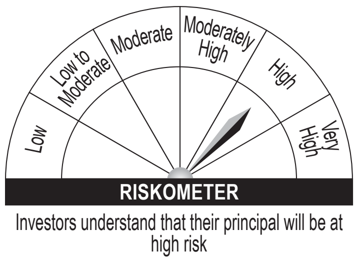
Things you can learn through the app

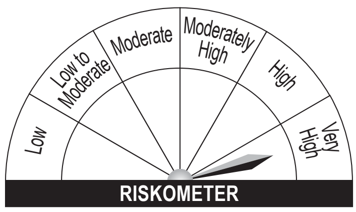
- Why invest
- Why mutual funds
- How to invest through mutual funds
- Goal based investing
- How to save tax
- Understanding risk
- Investment concepts
- Smart investing

Click here to learn about Goal based investing

For KYC, change of address, investor complaints redressal, etc. visit - https://www.hdfcfund.com/information/key-know-how

Disclaimer

Name of Scheme	This product is suitable for investors who are seeking*	Riskometer#
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 bonds	
HDFC Hybrid Debt Fund An open ended hybrid scheme investing predominantly in debt instruments	• To generate long-term income / capital appreciation • Investments primarily in debt securities, money market instruments and moderate exposure to equities	
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 Asset Allocator Fund of Funds An open ended Fund of Funds scheme investing in equity oriented, debt oriented and gold ETFs schemes	• Capital appreciation over long term • Investment predominantly in equity oriented, debt oriented and Gold ETF schemes.	

Name of Scheme	This product is suitable for investors who are seeking*	Riskometer#
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.	 Investors understand that their principal will be at very high risk
HDFC Multi Asset Fund An open ended scheme investing in equity and equity related instruments, debt & money market instruments and gold related instruments	• To generate long-term capital appreciation/income • Investments in a diversified portfolio of equity & equity related instruments, debt & money market instruments and Gold related 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	
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 of equity & equity related instruments	

*Investors should consult their financial advisers, if in doubt about whether the product is suitable for them.

#For latest Riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. www.hdfcfund.com

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

Thank You

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