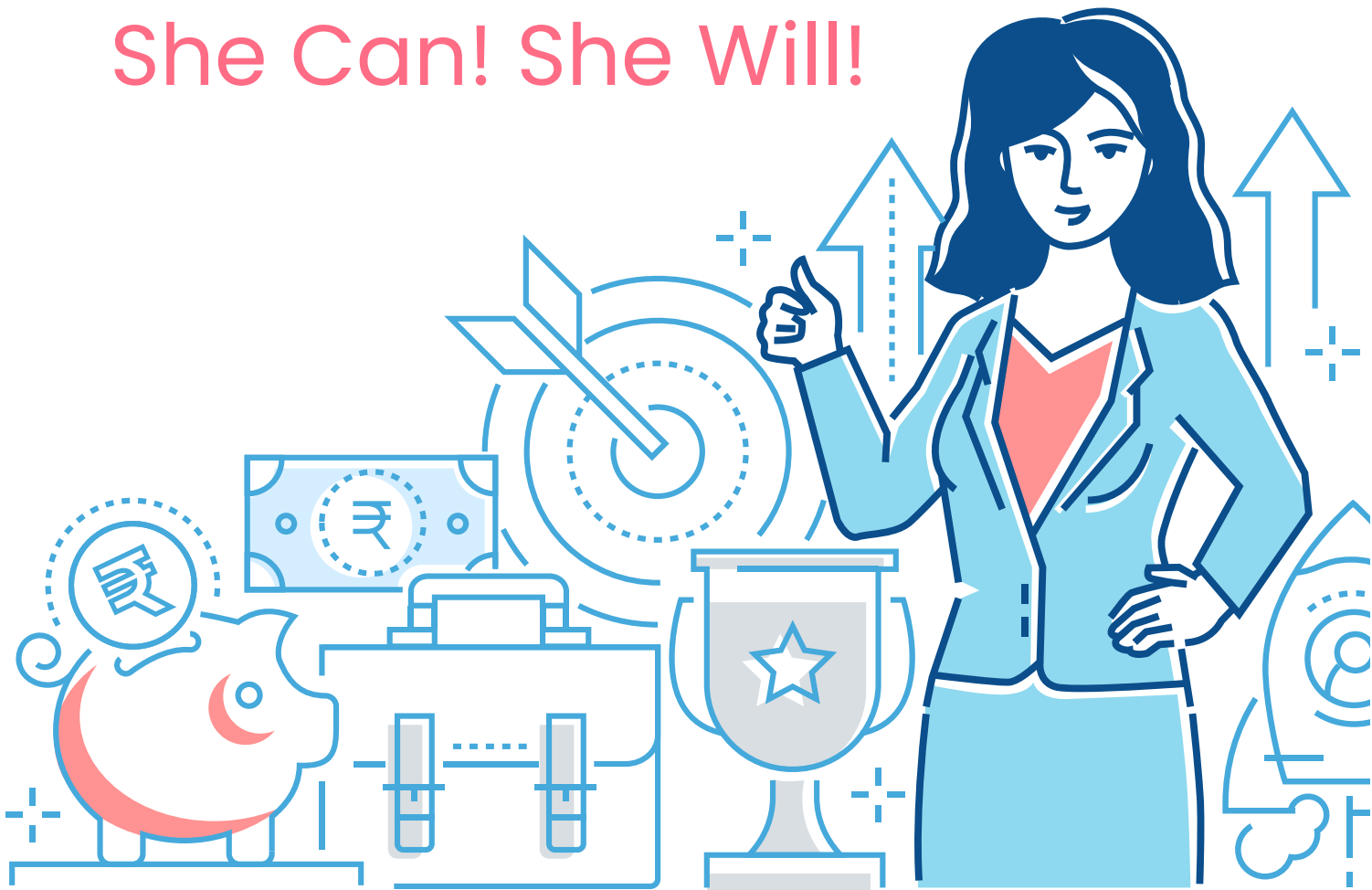


Monthly Musings

March 2023

She Can! She Will!



Index

03	Message from Navneet
05	Cover Story
11	Smart Choices
13	Fund Focus
15	Tête-à-Tête
16	HDFC MFBytes

Message from Navneet



Every year, on 8th March, countries around the World celebrate the International Women's Day. Countries across the globe, from United States to Nepal and from Poland to South Africa celebrate this day to acknowledge the contribution of women in our society and promote gender equality. While today, the day is more of a celebration; its origins can be traced back to a protest in 1908. Back then, thousands of women garment workers in New York went on a strike and marched through the city to protest against unjust working conditions.

Over the years, its context changed. Protests and marches gradually gave way to a celebration of womanhood across the globe. One may argue that having only a single day of the year to celebrate womanhood doesn't do enough justice to contribution of women in our society throughout the year. However, it's equally noteworthy that this day does shine a spotlight on women's right issues. Even a quick look at internet search trends shows how there is a sharp spike in the search for 'Women empowerment' in the days leading up to the 'International Women's Day'.

In fact, over the years, small steps in the right direction have meant that women today make monumental contribution in all walks of life –be it Science, Sports, Medicine, Politics, Economics etc. However, there are few areas where conventional stereotypes still prevail. One of which happens to be personal finance. When it comes to financial planning, women still take a backseat and shy away from taking major financial decisions –leaving them to the men in the family.

Goes without saying that women empowerment cannot be achieved in full earnest until women become financially aware, take control of their own financial well-being and march towards financial freedom. With this intention, last year, HDFC Mutual Fund launched #BarniSeAzadi campaign, which is a women-centric financial awareness initiative. This campaign struck a chord with women across length and breadth of India and received encouraging feedback. Further, we also launched an end-to-end women-led financial empowerment initiative – #LakshmiForLakshmi, on last year's International Women's Day. As part of this initiative, HDFC Mutual Fund connected women investors to a woman financial expert near them, through a unique missed call service.

We do realize that the focus on financial freedom of women needs to be unwavering in nature and consequently, this edition of our 'Monthly Musings' is dedicated to Indian women, on the occasion of the International Women's Day (8th March). We hope that it helps to emphasize the importance of financial planning for women and the ways and means to go about it.

**Wishing you a Happy
Women's Day and an
empowered journey to
financial freedom!!!**



Cover story



58% vs 25% !! Few weeks ago, when the Economic Survey was tabled in the Parliament; amidst all details analyzed, these 2 numbers probably went unnoticed. 58% and 25% were the Labour Force Participation Rates[^] for Males and Females respectively for FY21. While these measures may not fully account for female participation in informal sector, the 33-percentage point gap (58%-25%) is certainly a reality check when it comes to women empowerment.

To look at the positive side though, recent trends have been heartening. Female Labour Force Participation rate has gone up from ~19% in FY19 to ~25% in FY21. Corporate India too has taken notice and policy changes to make work environment female-friendly have been welcomed by one and all. Increased focus on education of girl child over the years has started reaping rich dividends and we have been seeing increasing presence of women in the workforce. Women entrepreneurs have increased too. While this is a huge positive for society at large, commensurate attention has not been paid to financial planning for women.

In India, archaic thought process of men taking major financial decisions and women being tasked with managing household budgets is still deeply-rooted in social psyche - in spite of changed realities, where women actually contribute substantially, if not more, to household finances.

[^]The labour force participation rate is calculated as the labour force divided by the total working-age population.

For disclaimers, refer page 17



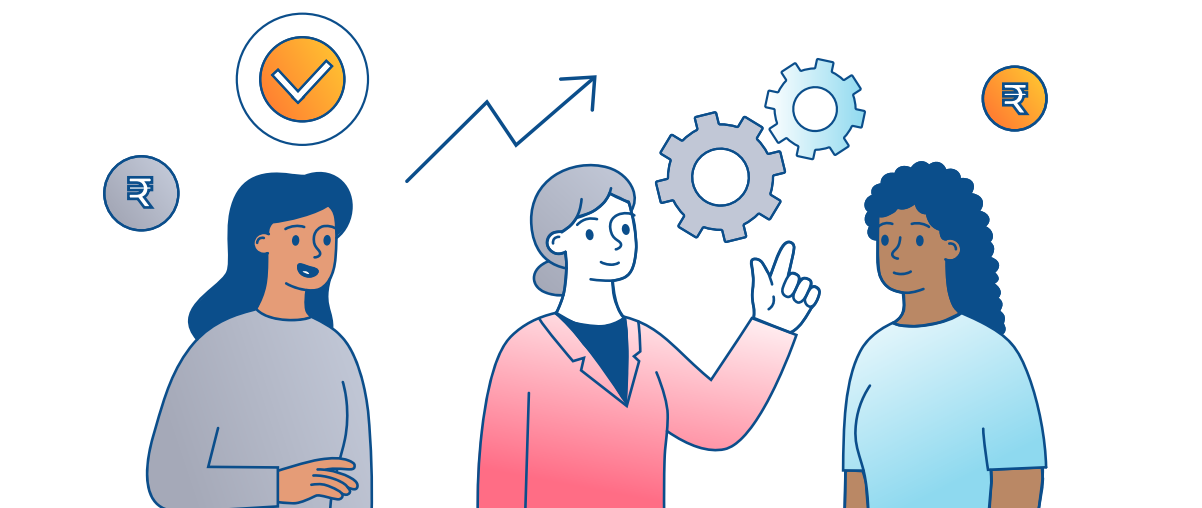
Why financial planning is more important for women now?

More women are earning now than they were 3 decades ago and they are earning more than ever before too. However, simply earning money may not be enough, owing to inflation or increase in cost of living over a period of time.



Longer life span = Longer post retirement period

Another important variable at play is life expectancy. In line with other parts of the world, **life expectancy for women is higher than men in India too**. As per World Bank statistics (2020), globally, average life expectancy for women was ~75 years, while that for men was ~ 70 years. Consequently, number of years post retirement are higher for women. This, along with a gender pay gap that women have to put up with, makes financial planning extremely important for women.





Factors beyond control affecting career

At times, traditional gender roles in our society, also lead to trajectory of women's careers being different from their male counterparts. This could be on account of child birth, employment gap on account of child care, other caregiving responsibilities at the household etc. While in many households, gender neutrality is slowly becoming the norm, this particular headwind on account of caregiving role does make financial planning imperative for women.



How to go about personal finance then?

To begin with, women, especially younger women, need to start taking active interest in personal finance, without adopting societal stereotypes of delegating personal finance decisions to spouse/father, etc. In fact, one of the first things that women ought to do post marriage is to have a transparent discussion with their spouse about each other's financial goals and ascertain key life events/ responsibilities that need to be planned for.



Come up with a financial plan

Traditionally, Indian women have been responsible for managing household expenses within limited resources. They had to strike a balance between wants and needs of the family. Keeping a monthly budget ensured that financial discipline was maintained at all times. Today's women need to take this to the next level and draft a plan, not just for a month, but for years and decades, considering various life events, medical expenses, contingencies, dependencies and eventually, retirement. Seeking advice of a professional financial advisor may be in order.



Channelize savings into investments

Indian women have always been exemplary when it comes to saving well and managing emergencies, including financial ones. Today, women can take this a step further by investing well. For women, time is at a premium though, as they may have to manage professional and household responsibilities. This is where Mutual Funds come in. Wide array of product offerings, professional expertise, strong regulatory framework and most importantly, ease of investing make Mutual Funds the go-to investment solution for investors.

Taking the SIP route could be considered here. SIPs create a disciplined approach to investing, help to keep emotions at bay and leverage the benefit of rupee cost averaging (purchase of higher units at lower NAV and vice versa).

Different strokes for different folks – A fund for every goal!

Every woman is unique in her own way. So is her financial journey!! Mutual Funds provide a wide array of product offerings, catering to varied financial goals of women.

> **Saving for a rainy day –**

Women may consider investing a portion of their portfolio in Liquid and other short duration debt funds (Liquid Fund, Ultra Short Duration Fund, Low Duration Fund, Short Duration Fund etc.) to meet medical emergencies in their household or to assist their elderly parents, whenever required. This may also come handy in case of an employment gap for childbirth, child care etc.

> **Not putting all eggs in one basket –**

Traditionally, women never kept all the household money in one place to mitigate the risk of theft, loss etc. Likewise, women today can diversify their portfolio across different assets classes like Equity, Debt, Gold etc. to mitigate the impact of market volatility. Asset Allocation products like Multi Asset Funds provide one stop solutions for women investors to achieve asset allocation in their portfolio. Further, within equities, funds like Multi-Cap Funds, Flexi Cap Funds, Large and Mid-Cap Funds etc. help to diversify one's equity portfolio across market cap segments.

> **Saving for Child's education –**

The bond between a mother and a child is probably the most unique one in this world. Every mother wants to go out of her way to provide for her child's future, including his/her higher education. Solution oriented Mutual Fund schemes like a Children's Fund help in this endeavor. More importantly, having a goal associated to the investment means that this corpus does not get used for other financial needs.

➤ **Longer life spans = Longer post retirement period -**

As mentioned earlier, longer lifespans end up making retirement planning by far the most critical financial goal for any investor. Solution oriented scheme like Retirement Fund can help women create retirement corpus in the long run. Having a dedicated corpus for sunset years and not having to depend on anyone to meet one's needs post retirement, can be immensely reassuring.

➤ **Feeling the pinch of tax?**

With more women entering the workforce, tax planning has become as important as Financial planning. To avoid last minute hassle of investing in Section 80C eligible instruments to save tax, women could consider starting an SIP in ELSS (Equity Linked Saving Scheme) with an aim to create wealth and save taxes simultaneously.

Being unaware is not an option anymore

It is an increasingly uncertain and fast-moving world. You would have come across many instances of women in the family or in your social circle who were completely clueless about their financial assets, liabilities, nominations etc. in the event of divorce/sudden demise of their spouse. One cannot stress enough on the importance of financial freedom, for women, in today's uncertain world.

Women have strived hard to break old stereotypes and live life on their own terms. This, to a large extent, can be achieved through financial freedom, which not only gives one the confidence to take key decisions but also provides a firm footing to stand up for oneself.

This Women's Day, women should take control of their finances and plan well for the future. If any skepticism creeps in, you would do well to remember that currently, Finance Minister of India, MD of International Monetary Fund, President of European Central Bank are all women.

Smart Choice

Gold Consumption Vs Investment



We often talk about risk and returns while discussing investment opportunities, however when it comes to investing in gold, another 'word' that is always on top of our mind is 'Women'. The very reason why we associate women, especially Indian women, with this asset class is that their exposure to gold is amongst the highest in the world. And, this is particularly true for women of older generation. As per the statistics presented by World Gold Council, Indian households have accumulated approximately 25,000 tons of gold which is roughly 40% of India's 2019 GDP.

Indians often attach sentiment value to gold and usually take exposure in this asset class during auspicious occasions like marriage or religious functions. While the exposure to gold is not bad, the route through which it is bought is also important. Majority of the gold accumulated by the households is in the form of jewelry. One can have some exposure to gold in the form of jewelry (as it signifies prosperity, wealth and one's lifestyle), it is also important to look at other avenues that score on various counts over physical gold.

Investing in physical gold poses various risks

There are various concerns with investment in physical gold; i.e. jewelry, gold bars, gold coins, etc. Some of the risk associated with buying physical gold are:

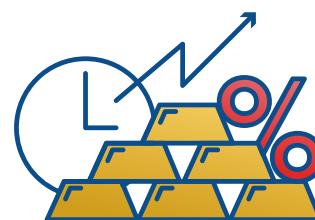
- ✗ concern of storage
- ✗ risk of being stolen
- ✗ concerns around purity

Smarter ways to take exposure to Gold

Gold ETFs/Gold Fund of Funds – Mutual Funds offer two investment routes i.e. Gold ETFs and Gold FoFs. Just like stocks, gold ETFs are held in dematerialized form. While investment in ETFs require demat accounts, for investors wishing to invest without demat account, mutual funds also offer Fund of Funds that invest in Gold.

Advantages of investing in gold vis mutual funds versus buying physically:

- ☒ Risk of theft is eliminated
- ☒ Storage hassles are eliminated
- ☒ No GST on every transaction
- ☒ Invest in good quality standard metal
- ☒ Price transparency and liquidity



Sovereign Gold Bonds – Sovereign Gold Bonds (SGBs) are issued by the Reserve Bank of India on behalf of the Government of India which currently provides an assured interest of 2.50 per cent per annum.

The bonds are denominated in units of grams of gold with a basic unit of 1 gram. The maximum investment one can make is of 4 kg. These bonds have a tenor of eight years with an exit option from the fifth year onwards.

Why one should have limited exposure to Gold?

Unlike equities, gold does not have underlying earnings, thus it cannot be fundamentally valued. However, gold, as an asset class, protects the overall portfolio in uncertain and volatile times and can be used as a hedge against inflation. Investment experts advise 5-10% of allocation towards the asset class.

To conclude, one may buy jewelry, ornaments, etc. for sentimental attachment, apart from that, gold, as an asset class should be 'not bought' but 'invested in' and it should form part of overall asset allocation with exposure limited to 5-15%. Investors should consider smarter options like Gold ETFs, Gold FoFs or SGB's instead of buying physical gold which is prone to various risks.

Fund Focus

HDFC Retirement Savings Fund



Women face certain unique circumstances that make retirement planning crucial:

- ☒ **Women tend to live longer than men, which means they have a longer post-retirement period.**
- ☒ **Women often face a gender pay gap, which can lead to lower savings and smaller social security benefits.**
- ☒ **Women may take career breaks to care for their families, which can further impact their earning potential and retirement savings.**

It is therefore essential for women to start planning for retirement early and stay invested for long term. Seeking financial advice and making informed decisions may also help women to secure their financial future during their retirement years.

HDFC Retirement Savings Fund is one such scheme which may help to build retirement corpus. The Fund offers 3 different investment plans suitable for investors of different age groups and risk profile. They are:

> **Equity Plan:**

This Plan has equity exposure between 80% to 100% and Suitable for younger investors with relatively higher risk appetite having

> **Hybrid Equity Plan:**

Suitable for middle-aged investors with moderate risk appetite having equity exposure between 65% to 80% and the rest invested in debt and money market instruments.

> **Hybrid Debt Plan:**

Suitable for investors nearing retirement or investors with relatively low risk appetite. The exposure to debt and money market instruments is expected to be between 70% and 95% and the equity exposure is expected to be between 5% and 30%.

The Fund has a lock-in period of 5 years or till retirement age (whichever is earlier). For further details, refer to the scheme documents of the Fund available on our website www.hdfcfund.com

Two Goals and One Investment (Wealth bhi, Tax Saving bhi)

HDFC Retirement Savings Fund is a notified tax saving pension scheme and investments in the scheme shall be eligible for tax benefits under section 80C of the Income-Tax Act which make them an attractive proposition. But one needs to remember that the tax savings is just an additional benefit. The main reason why one should invest in retirement savings funds is to build a sizeable corpus at the time of retirement. The amount invested every month into these funds should not be decided on the basis of tax savings. One needs to make sure the standard of living is either maintained or improved post retirement and save accordingly.

Tête-à-tête



SAVINGS does not mean INVESTING

Saving means setting money aside for future use in safe options like savings accounts or fixed deposits, while investing involves allocating funds to generate returns through assets like mutual funds, stocks, bonds, real estate or gold. Over the long term, investing has historically yielded greater returns than saving alone. In view of this, it is necessary to understand the difference between the two and 'invest' for the long term.

A smart way to learn about Mutual Fund investments

HDFC MFBytes

Your one-stop knowledge hub for your Mutual Fund needs
Explore the app today and learn more about Mutual Funds
through fun activities!

Things you can learn through the app



1

Investment
concepts

2

How
to save
tax

3

Goal
based
investing

...and much more!

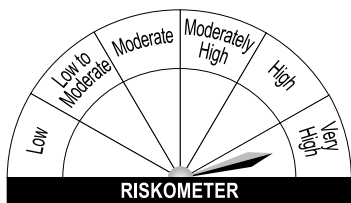
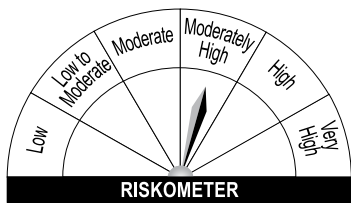
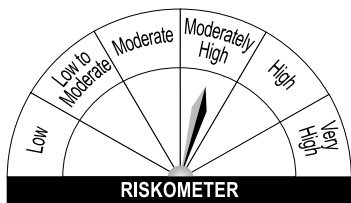
Click here to know about why you should invest early

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

For more details write to us at hello@hdfcfund.com



Contact your Mutual Fund Distributor / Registered Investment Adviser today, or give a missed call on 73974 12345.

NAME OF SCHEME	THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*	RISKOMETER#
HDFC Retirement Savings Fund- Equity Plan An open ended retirement solution oriented scheme having a lock-in of 5 years or till retirement age (whichever is earlier).	<ul style="list-style-type: none"> • A corpus to provide for pension in the form of income to the extent of the redemption value of their holding after the age of 60 years • Investment predominantly in equity and equity related instruments. 	 <p>RISKOMETER Investors understand that their principal will be at very high risk</p>
HDFC Retirement Savings Fund- Hybrid-Equity Plan An open ended retirement solution oriented scheme having a lock-in of 5 years or till retirement age (whichever is earlier).	<ul style="list-style-type: none"> • A corpus to provide for pension in the form of income to the extent of the redemption value of their holding after the age of 60 years. • Investment predominantly in equity and equity related instruments & balance in debt and money market instruments. 	 <p>RISKOMETER Investors understand that their principal will be at high risk</p>
HDFC Retirement Savings Fund- Hybrid-Debt Plan An open ended retirement solution oriented scheme having a lock-in of 5 years or till retirement age (whichever is earlier).	<ul style="list-style-type: none"> • A corpus to provide for pension in the form of income to the extent of the redemption value of their holding after the age of 60 years. • Investment predominantly in debt and money market instruments & balance in equity and equity related instruments. 	 <p>RISKOMETER Investors understand that their principal will be at moderately high risk</p>
*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

Views expressed herein, involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied herein. Views referred should not be construed as an investment advice or a research report. The HDFC Mutual Fund/ HDFC AMC is not indicating or guaranteeing returns on any investments. Readers should seek professional advice before taking any investment related decisions.

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