

HDFC MF

Weekend Bytes

A weekly series from HDFC Mutual Fund

ELSS Tax saver

An investment avenue to be considered.



For investors whose tax situation makes them eligible to stay in the old tax regime, ELSS (Equity Linked Savings Scheme) remains an investment avenue worth considering.

In the hunt for eligible 80C investments, investors often end up investing in debt-like investments with longer term horizons. While these options provide stability, they may not offer the growth potential that equity investments can. This is where the HDFC ELSS Tax Saver comes into play, providing equity exposure that allows for long-term growth prospects.

Key benefits of investing in the HDFC ELSS Tax saver:



Deduction U/s 80C: Deduction can be claimed by investing in ELSS funds u/s 80C upto Rs 1,50,000/-. (Under the old regime of the Income-tax Act, 1961)



Exposure to equities with a long term horizon: 3 Year lock in ensures money remains invested for long term, without taking into account short term volatility in equity markets.



Lower lock-in vs other options: In fact, the Lock in period is lower than other investment options like PPF, NSC or Tax Saving Bank FD's.



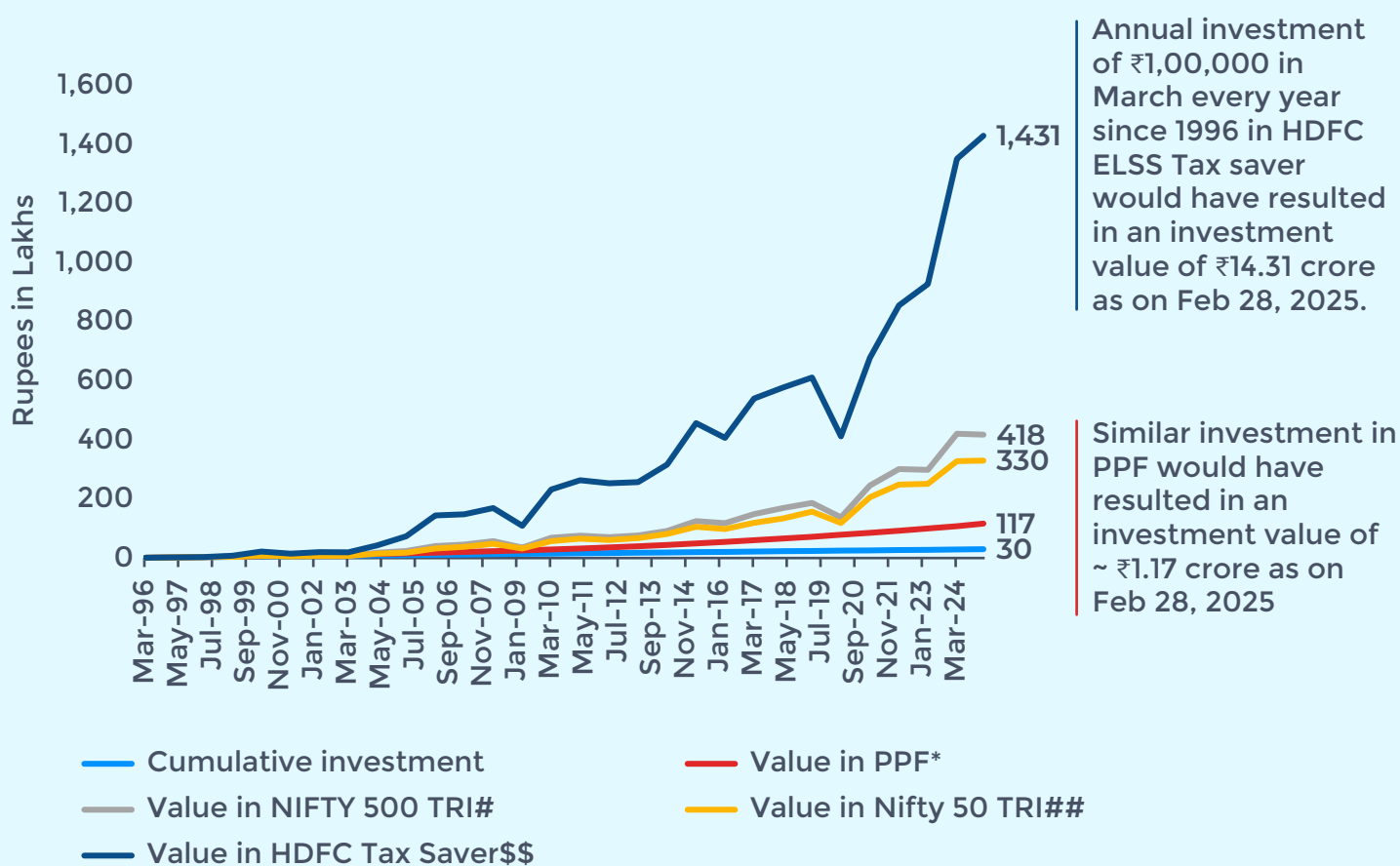
Decline in interest rates on 80C eligible instruments over the years along with potential for lower rates in the coming years could make an equity investment more attractive.



PPF - Public Provident Fund
NSC - National Savings Certificate

Investors who have chosen the HDFC ELSS Tax saver in the past have seen the benefits of having exposure to the equity asset class within their section 80C savings. The potential for higher returns compared to traditional debt-like investments could make ELSS a better choice.

Comparison of investments made in HDFC ELSS Tax Saver compared with PPF and benchmark indices



Unlike PPF, investments in Mutual Funds are subject to market risks. Hence, the performances are not strictly comparable. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Source: MFI Explorer and other publicly available information. 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. # Benchmark Index of HDFC ELSS Tax saver. ## Additional Benchmark NIFTY 50 TRI - As TRI data is not available since inception of the scheme, additional benchmark 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. TRI: Total Returns Index. \$\$ All IDCW declared prior to the splitting of the Scheme into IDCW & Growth Options are assumed to be reinvested in the units of the Scheme at the then prevailing NAV (ex-IDCW NAV). As NIFTY 500 TRI data is not available for March 31, 96, benchmark performance is calculated from March 29, 96.

With India's equity valuations having moderated considerably, now could be an opportune time to consider making your section 80C investments in a lump sum with a long term view.

The scheme follows a disciplined approach to investing, with a focus on good quality companies while maintaining valuation discipline and long term stock selection. The Scheme can invest across market cap segments, with the allocation based on relative attractiveness of opportunities in each Market Cap segment.

In conclusion, while the new tax regime has shifted the focus for many investors, those who remain in the old tax regime should not overlook the advantages of the HDFC ELSS Tax saver. It offers a balanced approach to tax-saving and wealth creation, along with a diversified portfolio of quality companies with a long term horizon. This makes the fund a worthwhile consideration for your investment portfolio.



A. HDFC ELSS Tax saver - SIP Performance - Regular Plan - Growth Option

	Since Inception*	15 year SIP	10 year SIP	5 year SIP	3 year SIP	1 year SIP
Total Amount Invested (₹ in lacs)	34.70	18.00	12.00	6.00	3.60	1.20
Market Value as on February 28, 2025 (₹ in lacs)	1,570.73	56.98	26.48	10.15	4.67	1.14
Returns (%)\$\$	21.01	14.09	15.13	21.20	17.70	-9.18
Benchmark Returns (%)#	14.93	13.51	13.89	14.93	9.95	-18.17
Additional Benchmark Returns (%)##	13.74	12.60	13.00	13.16	8.74	-11.93

Assuming ₹10,000 invested systematically on the first Business Day of every month over a period of time. CAGR returns are computed after accounting for the cash flow by using XIRR method (investment internal rate of return) for Regular Plan - Growth Option. The above investment simulation is for illustrative purposes only and should not be construed as a promise on minimum returns and safeguard of capital. SIP - Systematic Investment Plan.

B. HDFC ELSS Tax saver - Performance - Regular Plan - Growth Option

NAV as on February 28, 2025 ₹1322.712 (per unit)

Period	Scheme Returns (%)\$\$	Benchmark Returns (%)#	Additional Benchmark Returns (%)##	Value of investment of (₹) 10,000		
				Scheme (₹)\$\$	Benchmark (₹)#	Additional Benchmark (₹)##
Last 1 Year	6.83	-0.08	1.89	10,683	9,992	10,189
Last 3 Years	20.51	12.70	10.92	17,510	14,320	13,652
Last 5 Years	21.29	17.78	15.94	26,273	22,683	20,966
Last 10 Years	11.55	11.91	10.95	29,870	30,845	28,308
Since Inception*	21.92	13.97	12.68	30,97,335	4,40,575	3,16,359

Common notes for the above table A & B: *Inception Date: March 31, 1996. # NIFTY 500 (Total Returns Index) ## NIFTY 50 (Total Returns Index). The above scheme is being managed by Ms. Roshi Jain from January 13, 2022. The above returns are of Regular Plan - Growth Option. As TRI data is not available since inception of the scheme, additional benchmark 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. As NIFTY 500 TRI data is not available for March 31, 96, benchmark performance is calculated from March 29, 96. \$\$ All Distributions declared prior to the splitting of the Scheme into IDCW & Growth Options are assumed to be reinvested in the units of the Scheme at the then prevailing NAV (ex-distribution NAV). Returns greater than 1 year period are compounded annualized (CAGR). Load is not taken into consideration for computation of performance. 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. Returns as on February 28, 2025.

C. Performance of Other Funds Managed by Ms. Roshi Jain, Fund Manager of HDFC ELSS Tax saver (who manages total 3 schemes which have completed one year)

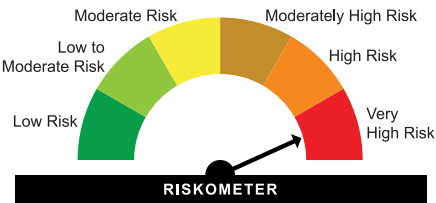
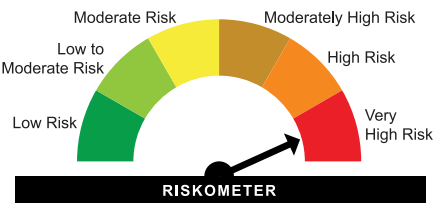
Scheme	Managing Scheme since	Returns (%) as on February 28, 2025		
		Last 1 year (%)	Last 3 years (%)	Last 5 years (%)
HDFC Focused 30 Fund	Jan 13, 2022	10.70	22.30	23.70
Benchmark - NIFTY 500 (Total Returns Index)		-0.08	12.70	17.78
HDFC Flexi Cap Fund	Jul 29, 2022	9.32	21.38	23.33
Benchmark - NIFTY 500 (Total Returns Index)		-0.08	12.70	17.78

Common notes for all Tables: Past performance may or may not be sustained in future and is not a guarantee of any future returns. The above returns are of Regular Plan - Growth Option. 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 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. HDFC AMC / HDFC MF is not guaranteeing or assuring any returns on investments in the Scheme. Returns as on February 28, 2025.

HDFC ELSS Tax saver (An open ended equity linked savings scheme with a statutory lock in of 3 years and tax benefit.) is suitable for investors who are seeking~:

- 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.

Name of scheme	Riskometer^^ of the Scheme	Riskometer of the Benchmark of all the Schemes viz. NIFTY 500 Total Returns Index
<ul style="list-style-type: none"> ■ HDFC ELSS Tax saver ■ HDFC Focused 30 Fund ■ HDFC Flexi Cap Fund 	 <p>RISKOMETER</p> <p><i>The risk of the scheme is very high</i></p>	 <p>RISKOMETER</p> <p><i>The risk of the benchmark is very high</i></p>

Benchmark and Scheme Riskometer as on February 28, 2025.

^^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.**

Mission: To be the wealth creator for every Indian

Vision: To be the most respected asset manager in the world