

HDFC MF

Weekend Bytes

A weekly series from HDFC Mutual Fund

The Real Cost of Overspending: Skipped SIPs



Many individuals start the month with the intention to invest regularly. However, once the salary is credited, routine expenses often take priority and what's left (if anything) gets invested. The result? inconsistent investments and missed opportunities.

A simple way to avoid this is to **schedule your SIP (Systematic Investment Plan) date just a day or two after your salary is credited.**

Think of it this way:

- ✓ **Your EMIs gets auto debited**
- ✓ **Your electricity bill gets auto debited**
- ✓ **Your OTT subscriptions gets auto debited**



Why shouldn't your investments have the same priority? By scheduling your SIPs soon after your payday helps ensure that investments are taken care of first, and day-to-day expenses could be managed with the remaining balance.

Why this approach helps



Encourages discipline: When your SIP is automated, investing becomes part of your monthly routine.



Helps build consistency: Regular contributions allow you to stay invested without interruptions.



Prioritises Investing: By investing first, you spend from what remains, rather than the other way around.

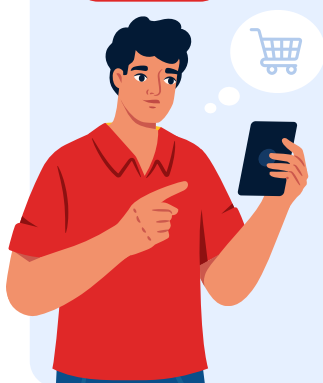


Reduces decision-making effort: Since the process is automated, you don't need to actively plan each month.

Example: The Story of Two Friends

Rahul and Meera, both earn the same salary and decided to invest Rs 10,000 every month through SIPs in HDFC Flexi Cap fund for 10 Years, but their approach to investing is different

Rahul



Follows a “spend-first” approach. Each year, he skipped 2 SIP instalments for 10 years (for simplicity, let’s assume November and December) due to overspending. Over 10-year period, instead of 120 SIP instalments, he invested only 100. As a result, his investment missed out on the benefit of power of compounding.

Meera

Follows an “invest-first” approach. She fixes her SIP date right after salary credit and invested Rs 10,000 every month for 10 years without skipping SIPs. Her discipline resulted in uninterrupted wealth growth.



	Rahul	Meera
SIP Start Date in HDFC Flexi Cap Fund	1 st Sep 2015	1 st Sep 2015
SIP Pause	Yes	No
Pause Period (2 months every year for 10 years)	20 months	NA
Amount (in ₹) Invested till 1st Aug, 2025	1,000,000	1,200,000
Market Value (in ₹) as on 29th Aug, 2025	2,718,532	3,271,437
Difference (in ₹)		552,905

Past performance may or may not be sustained in the future and is not a guarantee of any future returns. HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns

Key Difference: Both earn the same salary, but Meera's "Invest-first" approach helped her to stay consistent, while Rahul's "spend-first" approach made his investments irregular and reduced his long-term corpus.

Takeaway: A consistent investing habit, even if small, could be more effective in the long run. Skipping SIPs may feel small in the moment, but over time it could create a gap in your wealth creation journey.

A small change, a lasting habit

By aligning your SIP date with your salary credit, you effectively give your investments the same priority as fixed monthly expenses like rent or EMI. This simple adjustment helps in creating a disciplined saving and investing habit, something that can be valuable over the long term.

Remember

The goal is not to time the market, but to stay consistent with your investment journey



Performance

A. HDFC Flexi Cap Fund - 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)	36.80	18.00	12.00	6.00	3.60	1.20
Market Value as on August 29, 2025 (₹ in lacs)	2,160.81	70.85	31.94	10.46	4.83	1.25
Returns (%)	20.93	16.60	18.62	22.45	20.14	8.35
Benchmark Returns (%)#	14.96	14.41	15.26	15.18	13.51	1.81
Additional Benchmark Returns (%)##	13.72	13.25	14.03	13.04	11.52	3.29

@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.

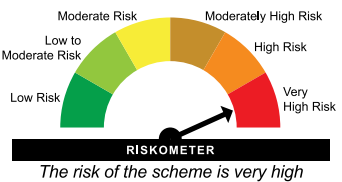
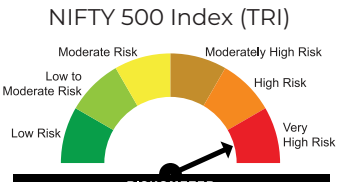
B. HDFC Flexi Cap Fund - Performance - Regular Plan - Growth Option

NAV as on August 29, 2025 ₹1,970.161 (per unit)

Period	Scheme Returns (%)	Benchmark Returns (%)#	Additional Benchmark Returns (%)##	Value of investment of (₹) 10,000		
				Scheme (₹)	Benchmark (₹)#	Additional Benchmark (₹)##
Last 1 Year	3.98	-4.41	-2.01	10,397	9,560	9,800
Last 3 Years	21.60	14.67	12.49	17,980	15,080	14,236
Last 5 Years	27.33	20.36	17.92	33,443	25,248	22,786
Last 10 Years	15.97	14.18	13.23	44,021	37,663	34,668
Since Inception*	18.79	12.37	11.64	1,970,161	357,994	293,520

Common notes for the above table A & B: Past performance may or may not be sustained in future and is not a guarantee of any future returns.* Since Inception date:- January 1, 1995. #NIFTY 500 Index (TRI) ##Nifty 50 Index (TRI). The scheme is managed by Ms. Roshni Jain since July 29, 2022. Returns greater than 1 year period are compounded annualized (CAGR). As NIFTY 50 TRI data is not available since inception of the scheme, additional benchmark performance is calculated using composite CAGR of NIFTY 50 PRI values from January 1, 1995 to June 29, 1999 and TRI values since June 30, 1999. 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. Load is not taken into consideration for computation of performance. Returns as on August 29, 2025.

For performance of other funds managed by fund manager, Please [click here](#).

HDFC Flexi Cap Fund (An open ended dynamic equity scheme investing across large cap, mid cap & small cap stocks.) is suitable for investors who are seeking*: <ul style="list-style-type: none"> To generate long-term capital appreciation / income Investment predominantly in equity & equity related instruments 	Riskometer #  <p>The risk of the scheme is very high</p>	Name of the Benchmark and Riskometer NIFTY 500 Index (TRI)  <p>The risk of the benchmark is very high</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 Scheme and Benchmark Riskometer as on August 29, 2025.		

Views expressed above are indicative and should not be construed as investment advice or as a substitute for financial planning. Due to the personal nature of investments, investors are advised to seek professional advice before investing.

**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