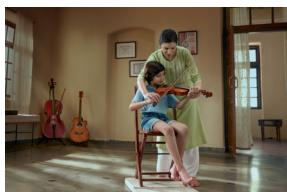


A guide for your investment journey



Zindagi ke liye SIP



WANT TO TAKE CONTROL OF YOUR FINANCIAL FUTURE, BUT HAVE CONCERNS?

I do not have
a surplus to invest.

Mutual Fund products
are so complicated.

The market
seems too high.

Is this the right
time to invest?

What price is the
right price to buy?

Considering investing in Mutual Funds, but haven't taken the leap yet? Perhaps you see friends benefiting from them, but hesitate to start. Are concerns holding you back? This booklet is designed to be your one-stop guide, addressing your concerns and empowering you to take the first step towards building wealth through Mutual Funds. We believe the key to financial success lies in small, consistent steps, much like an SIP. Just like daily routines and long-term planning are essential in life, so are these principles in building wealth. Read on to discover how SIPs can help you achieve your financial goals and embark on your wealth creation journey with confidence.



SIMPLIFYING MUTUAL FUNDS

Investing can seem like a complex world, filled with unfamiliar terms and daunting choices. But what if there was a way to invest without needing to be a financial expert? Enter Mutual Funds, a straightforward and accessible option for growing your wealth.

Here's the idea:

Imagine, you and other residents of your society pool your money together to buy gymnasium equipment. Instead of each one buying their own set, you combine your resources to use the equipment at your own convenience.

A Mutual Fund is like this shared set of equipment, but instead of buying equipment, you're investing in stocks, bonds, or other assets.

Instead of everyone needing to research and choose investments, you hire a professional called a Fund Manager. They're like the captain of your investment ship, deciding how to invest the money wisely based on the Fund's goals.

Each person in the group owns a share of the Fund, similar to a piece of the pie. The value of your share depends on how well the Funds' investments perform.

The beauty of this team approach is spreading your risk. Just like not putting all your eggs in one basket, your money isn't tied to just one investment. This helps minimize potential losses.

Mutual Funds are popular because they make investing accessible:

- You don't need a lot of money to start.
- You don't need to be a financial expert.
- You benefit from a diverse portfolio with risk spread across various sectors.



SIMPLIFY YOUR **FINANCIAL** JOURNEY WITH **SIP**

Life can be expensive. Between your monthly EMIs, everyday bills, and unexpected expenses, saving and investing can seem impossible. But what if you could invest without needing a lump sum upfront? Here's the good news: You can! Imagine investing like you recharge your phone – small, regular payments that add up over time. This is the power of Systematic Investment Plans (SIPs) offered by Mutual Funds.

Here's how SIPs work

- **Allows small investments:** You can begin with a comfortable amount, even as low as ₹500 per month.
- **Be consistent:** Set up automatic transfers from your bank account, so you never miss an investment.
- **Grow gradually:** Over time, your small contributions compound, building a significant nest egg for your future.

Benefits of SIPs:

- **Affordable:** Requires minimal upfront investment, making it accessible to everyone.
- **Disciplined:** Encourages regular saving and investment habits.
- **Rupee-cost averaging:** Helps you buy more units when the market is low and fewer units when the market is high, potentially averaging out the cost of your investments.



I WANT TO BUY LOW AND SELL **HIGH**. WHAT PRICE IS THE '**RIGHT**' PRICE TO BUY?

Equity markets are volatile, and typically move in a cycle. They go up, peak, go down, bottom out and then another cycle begins but no one knows how long each phase lasts. Unfortunately, there's no crystal ball for the 'right' price in the stock market. Instead of timing the market, focus on a long-term approach like an SIP which averages out the cost per share over time. This can help reduce the impact of buying at a high price.

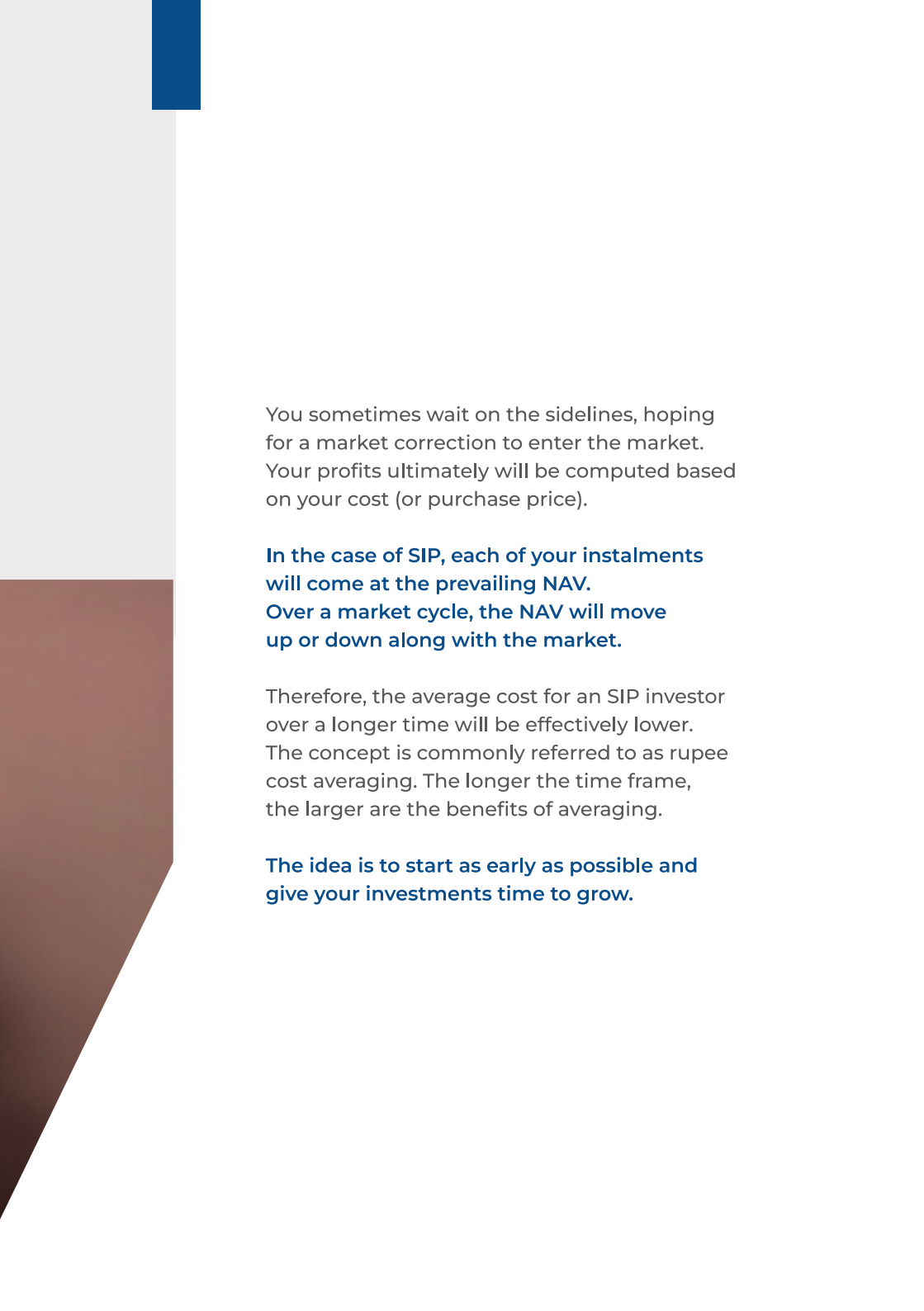
Month	Amount you invest	NAV	No. of units
1	₹5,000	₹10	500
2	₹5,000	₹12	417
3	₹5,000	₹10	500
4	₹5,000	₹8	625
5	₹5,000	₹10	500

With SIP, a fixed amount is invested monthly or at a pre-decided interval. More units are purchased when a scheme's NAV is low (during market low) and fewer units when the NAV is high. Thus, SIP allows you to invest smartly and makes the market cycles work in your favour. Isn't this exactly what you always secretly hoped for as an investor?

Disclaimer: Refer to the last page.

THE MARKET
SEEMS TOO HIGH.
IS THIS **THE RIGHT**
TIME TO INVEST?
I'LL INVEST LATER...





You sometimes wait on the sidelines, hoping for a market correction to enter the market. Your profits ultimately will be computed based on your cost (or purchase price).

In the case of SIP, each of your instalments will come at the prevailing NAV. Over a market cycle, the NAV will move up or down along with the market.


Therefore, the average cost for an SIP investor over a longer time will be effectively lower. The concept is commonly referred to as rupee cost averaging. The longer the time frame, the larger are the benefits of averaging.

The idea is to start as early as possible and give your investments time to grow.

I WANT TO TAKE A HOLIDAY. LET ME SKIP INVESTING FOR THE NEXT 6 MONTHS.

Life is meant for enjoyment, but that doesn't mean your future needs to be put on hold. SIPs offer a powerful solution to strike a balance between present and future goals.

Here's how SIPs can help you achieve both:

- **Invest for the Long Haul:** Consistent SIP contributions help you benefit from market cycles over time. By investing regularly, you ride out market fluctuations and potentially accumulate a significant corpus for your long-term goals like retirement or your child's education.
 - **Prioritize Short-Term Needs:** While long-term goals are crucial, short-term needs like vacations or down payments for a large purchase like a house should not be neglected. You can utilize different SIPs for different goals. Choose a low-risk, short-term fund for your near-future needs and a growth-oriented fund for your long-term aspirations.
 - **Stay Disciplined and Budget-Friendly:** SIPs encourage regular saving, ensuring you stay on track with your financial plan. The fixed, affordable instalments allow you to budget effectively without compromising on your present lifestyle, while saving on interest by not going for 'buy now, pay later' schemes or credit cards for such expenses.
- 



HIGHER EDUCATION



FOREIGN HOLIDAY



HOME DOWN PAYMENT



RETIREMENT

WILL MY SMALL AMOUNTS GROW INTO BIGGER GOAL AMOUNTS?

Compounding is the ability of an asset to generate earnings, which are then reinvested to generate their own earnings. The longer the horizon, the larger the benefits.

Therefore, given the power of a long-time horizon, both rupee cost averaging and compounding benefits will allow your investments to grow.



If at the age of **35**, Riya had started a monthly SIP of **₹10,000** in Nifty 50 Index from 1st June 1999 (25 years above)



She would have invested **₹30 lakhs** over 25 years



Nifty 50 Index has given a CAGR of 14.76%



25 years later at the age of **60 years**, her investment would be worth approx **₹2.6 cr** at the time of retirement



Scan here to try
the SIP calculator

Source: MFI Explorer

Past performance may or may not be sustained in future and is not a guarantee of any future returns. HDFC AMC / HDFC Mutual Fund is not guaranteeing / offering / communicating any indicative yield on investments made in the scheme(s).

The rate of return of 14.76% is calculated using an SIP amount of ₹10,000 invested in NIFTY 50 at the beginning of every month from 01/06/99 to 01/05/24. As NIFTY 50 TRI data is not available for June 1999, performance is calculated using NIFTY 50 PRI values for June 1999 and TRI values since July 1999.

The above calculations are based on actual returns of the NIFTY 50 Index to explain the power of compounding and should not be construed as a promise of minimum returns and safeguard of capital.

THE MARKETS ARE FALLING! I WANT TO REDEEM!

In your investment journey, it is a given that markets will correct many times. They are cyclical. You may be prone to regret and fear. But remember that market corrections will give you the opportunity to accumulate more units, which will appreciate in value when the market cycle turns.

Do not discontinue your SIPs when the markets correct and you will be on your way to achieving your financial goal. If you do, you might find it extremely difficult to enter back and you will miss the bus.

Focus on your goal
rather than market levels.



BUILD IT UP OVER THE YEARS



Depending on your risk appetite and income levels, you may have commenced your SIP from say ₹500.

Each year you might want to consider increasing the investment amount, if your income levels permit.

AUTOMATE YOUR WEALTH GROWTH WITH SIP TOP UP

SIP Top Up ensures your investments not only keep pace with inflation, but also align with your increasing financial capacity. Instead of manually adjusting your SIP amount as your income grows, SIP Top Up automates the process. With a 10% increment annually, it maintains the purchasing power of your investments, making your financial goals achievable and leveraging the power of compounding over time. Embrace financial discipline and adapt to change effortlessly with this innovative feature.

	25 Years			
	Current SIP	% increase every year	Total Amount Invested	Total Investment after 25 years*
Regular SIP	₹10,000	-	₹30,00,000	₹2,62,65,198
Incremental SIP	₹10,000	10%	₹1,18,01,647	₹5,39,62,300

Source: MFI Explorer

Past performance may or may not be sustained in future and is not a guarantee of any future returns. HDFC AMC/HDFC Mutual Fund is not guaranteeing/offering/communicating any indicative yield on investments made in the scheme(s).

The returns are calculated using an SIP amount of ₹10,000 invested in NIFTY 50 at the beginning of every month from June 01, 1999 to 1st May, 2024. SIP Top Up has been calculated with 10% increase in monthly investment amount every year.

As NIFTY 50 TRI data is not available for June 1999, performance is calculated using NIFTY 50 PRI values for June 1999 and TRI values since July 1999.

The above calculations are based on actual returns of the NIFTY 50 Index to explain the power of compounding and should not be construed as a promise of minimum returns and safeguard of capital.



HOW TO GO ABOUT STARTING SIP?

Linking your SIP to a goal can be the key to building wealth. So arrive at an amount you would like to accumulate as your financial goal. The rest follows easily - your investment horizon, SIP amount and the frequency, and a suitable fund available to you. It is very simple and straightforward to operate an SIP. After the initial account opening it can work automatically through a standing instruction.

1

Get your
KYC done



2

Determine your goal
value in rupee terms



3

Decide your
investment horizon



4

Choose a suitable Fund with
the help of your financial advisor



5

Set a frequency for your SIP



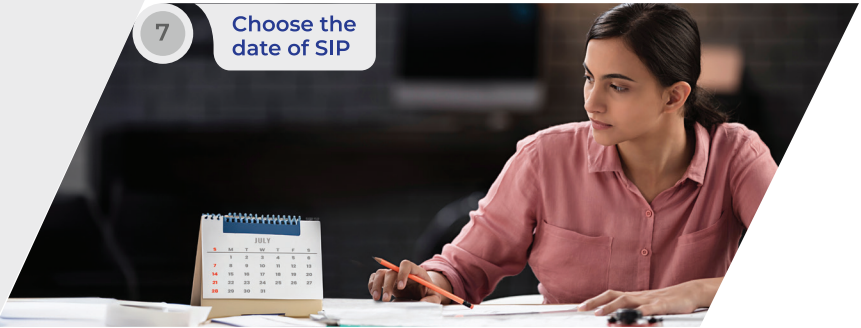
6

Decide your SIP amount



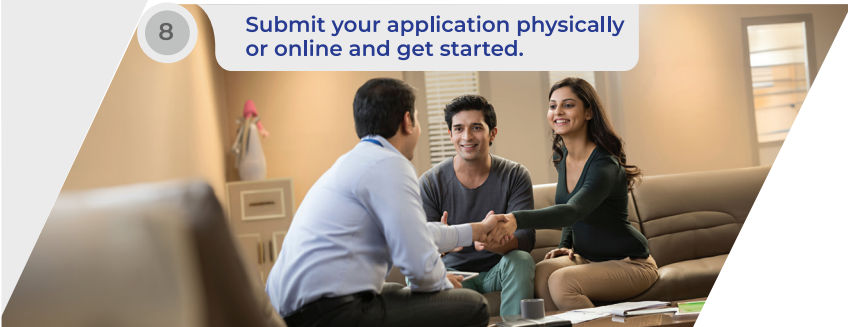
7

Choose the date of SIP



8

Submit your application physically or online and get started.



An Investor Education and Awareness Initiative



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**Mutual Fund investments are subject to market risks,
read all scheme related documents carefully.**



Scan here
to know more
about SIP