

**HDFC MF**

# Weekend Bytes

A weekly series from HDFC Mutual Fund

## Growing the Investment Pie: How Gen Z Could Build Wealth in a High-Cost World



[hdfcfund.com](https://www.hdfcfund.com)

Gen Z have grown up through a period of constant change, marked by financial uncertainty, a global pandemic, and shifting economic conditions. At the same time, growing up has never been affordable, it has become significantly more expensive. Many young Indian earners are living paycheque to paycheque, not because they lack discipline, but because they are navigating a fundamentally different cost structure than the generations before them.



## Where the Pay cheque Goes?

The way paycheque is allocated has evolved noticeably for Gen Z. A larger share of salary is now absorbed by essential expenses, particularly housing and everyday living costs, leaving comparatively less room for savings and long-term investing. At the same time, lifestyle preferences have also shifted. Experiences such as travel, dining out, and social activities have become more integral to how young earners choose to spend, reflecting changing priorities and aspirations.

## What's Driving This Shift?

Rather than attributing this to behavioural change alone, it's useful to consider broader factors:



**Housing costs** in metros have risen significantly relative to entry-level salaries



**Urban lifestyles** now include digital subscriptions, mobility costs, and social experiences as norms



**Income growth**, particularly at early career stages, may not always keep pace with inflation

***Gen Z are not financially irresponsible – they are operating within a higher-cost ecosystem.***

## The Real Consequences: Lower Savings Buffer

With a smaller portion of income available for savings, many young earners may face:

Delayed investment participation

Limited emergency buffers




Power of compounding getting impacted over time

This highlights a subtle but important shift:  
 For earlier generation, surplus income enabled investing.  
 Today, investing must be intentionally created.



## Small Sacrifices could make a Huge Difference!

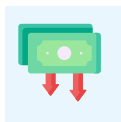
Small, consistent adjustments could create investable surplus over time.

A Small Sacrifice	 Skip 5 Coffees a Month (Rs 250 each)	 Limit 2 Food Orders a Month (Rs 600 each)	 Share an OTT / Gaming Subscription Monthly (Save ₹500)
Amount Saved per year (in ₹)	15,000	14,400	6,000
If You would Have Invested the Amount Saved Annually in SIP for 20 Years in <b>HDFC Flexi Cap Fund</b>			
Total Amount Invested for 20 years (in ₹)	300,000	288,000	120,000
Accumulated amount at the end of 20 years (in ₹) (SIP returns @15.08%* p.a)	<b>1,571,824</b>	<b>1,508,951</b>	<b>628,730</b>

\*CAGR returns are computed after accounting for the cash flow by using XIRR method. Actual 20 Years SIP Returns of HDFC Flexi Cap Fund as on 29th May, 2026. The above NAVs are of regular plan - growth option. HDFC Mutual Fund/AMC is not guaranteeing any returns on investments made in this Fund. **Past Performance may or may not be sustained in future and is not a guarantee of any future returns.**

## A Shift in Wealth Building

Earlier generations could often build wealth through larger savings ratios. For Gen Z, the equation is evolving:



Income alone may not define outcomes



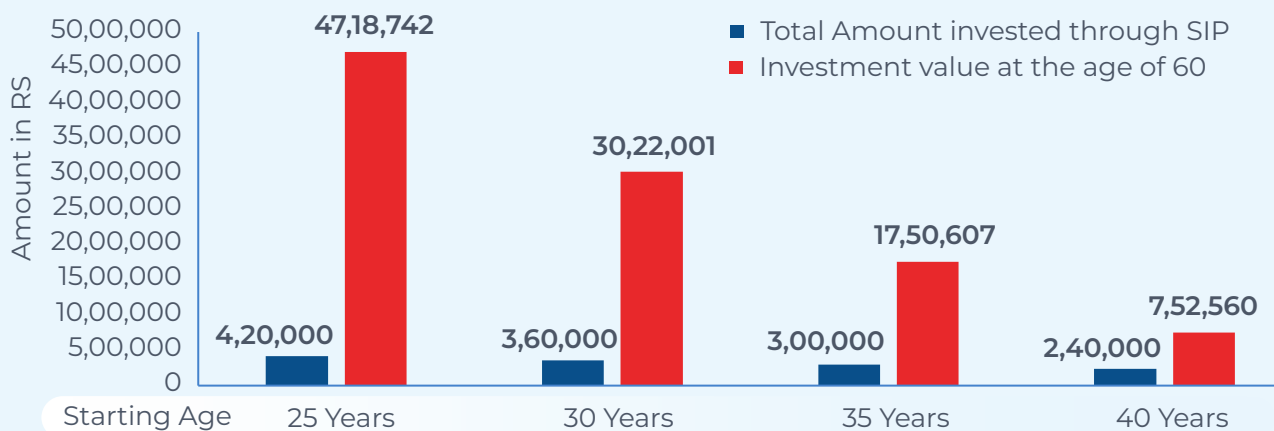
Consistency and discipline gain importance



Time in the market becomes a key factor

## Starting Early and Cost of Delay

SIP of Rs 1,000 in Nifty 50 invested till the age of 60



## The sooner you start, makes a lot of difference!

Source: MFI 360

Note: CAGR returns are computed after accounting for the cash flow by using XIRR method. Actual SIP Returns of 35 years, 30 years, 25 years, 20 years as on 29th May, 2026. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.** The above calculations are based on actual returns of NIFTY 50 Index to explain the power of compounding and should not be construed as a promise of minimum returns and safeguard of capital.

Wealth today is increasingly influenced not just by how much you earn, but **how consistently you invest over time.**

Gen Z's financial journey is not easier or harder - **Just different.** Higher living costs have not only reshaped priorities, but also created a need for **intentional financial planning.**

Even modest, regular investments, enabled by small habit changes could help build long-term wealth.



**Start small. Stay consistent. Let time do the heavy lifting!**

## HDFC Flexi Cap Fund

### A. SIP Performance<sup>^</sup> - 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)	37.70	18.00	12.00	6.00	3.60	1.20
Market Value as on May 29, 2026 (₹ in lacs)	2,127.62	64.52	28.21	8.62	4.08	1.16
Returns (%)	20.21	15.53	16.33	14.53	8.32	-5.49
Benchmark Returns (%)#	14.54	13.70	13.60	10.50	6.28	-1.78
Additional Benchmark Returns (%)##	13.12	12.05	11.62	7.25	2.81	-9.28

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 of minimum returns and safeguard of capital. SIP - Systematic Investment Plan

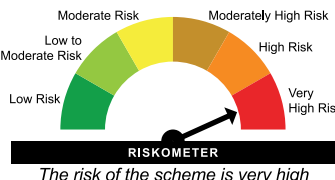
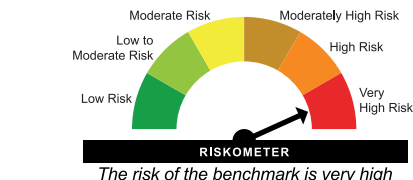
### B. Performance<sup>^</sup> - Regular Plan - Growth Option

NAV as at May 29, 2026. ₹1,939.111 (per unit)

Period	Scheme Returns (%)	Benchmark Returns (%)#	Additional Benchmark Returns (%)##	Value of investment of (₹) 10,000		
				Scheme (₹)	Benchmark (₹)#	Additional Benchmark (₹)##
Last 1 Year	-0.36	0.28	-3.85	9,964	10,028	9,616
Last 3 Years	17.49	13.92	9.54	16,211	14,778	13,140
Last 5 Years	17.24	12.49	9.88	22,139	18,007	16,012
Last 10 Years	15.79	14.03	12.54	43,330	37,165	32,593
Since Inception*	18.25	12.10	11.24	1,939,111	362,618	284,274

**Common notes for the above table A & B:** <sup>^</sup>Past Performance may or may not be sustained in future and is not a guarantee of any future returns. \*Inception Date: January 1, 1995. The scheme is managed by Mr. Amit Ganatra since February 01, 2026. # NIFTY 500 Index (TRI). ## Nifty 50 Index (TRI). The above returns are of Regular Plan – Growth Option. 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. 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. Above returns are as on May 29, 2026

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

<p><b>HDFC Flexi Cap Fund (An open ended dynamic equity scheme investing across large cap, mid cap &amp; small cap stocks.) is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>■ To generate long-term capital appreciation/ income</li> <li>■ Investment predominantly in equity &amp; equity related instruments</li> </ul>	<p style="text-align: center;"><b>Riskometer #</b></p>  <p style="text-align: center;">The risk of the scheme is very high</p>	<p style="text-align: center;"><b>Name of the Benchmark and Riskometer#</b></p> <p style="text-align: center;">NIFTY 500 Index (TRI)</p>  <p style="text-align: center;">The risk of the benchmark is very high</p>
<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. <a href="http://www.hdfcfund.com">www.hdfcfund.com</a> Scheme and Benchmark Riskometer as on May 31, 2026.</p>		

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**