One fund. With the strength of three.

Presenting HDFC Equity Savings Fund. A fund that offers the potential of Equity, the stability of Debt and the dynamism of Arbitrage. Give your savings the benefit of asset allocation while maintaining tax efficiency. Invest today.

Key advantages of HDFC Equity Savings Fund

- Volatility lower than Equity Funds
- Potential returns* higher than Debt Funds
- Tax-efficiency of Equity Funds

*HDFC Mutual Fund/AMC is not guaranteeing return on investments made in the Scheme.

| Debt 10% to 35% | Equity 15% to 40% | Equity Derivatives (Hedged positions) 25% to 75% |

HDFC Equity Savings Fund (An Open-ended Scheme investing in Equity, Arbitrage and Debt) is suitable for investors who are seeking*

- Capital appreciation while generating income over medium to long term
- Provide capital appreciation and income distribution to the investors by using equity and equity related instruments, arbitrage opportunities, and investments in debt and money market instruments

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.
WHY HDFC EQUITY SAVINGS SCHEME?

- **Long Term Growth** – Controlled equity allocation to take advantage of the long term potential of equities (15-40%)
- **Regular Income** – Debt securities (10-35%) and arbitrage opportunities (25-75%) reduce volatility and aid regular income
- **Low Fund Volatility** – Fixed Income exposure and hedged equity exposure (arbitrage) reduces fund volatility inherent to directional equity exposure
- **Efficient Taxation** – Better tax efficiency than debt funds
- **Diversified Asset Allocation** – Regular balancing between asset classes based on market conditions and outlook

HDFC Mutual Fund/AMC is not guaranteeing return on investments made in the scheme.

HDFC EQUITY SAVINGS FUND – INVESTMENT STRATEGY

**Equity Strategy**
- Maintains an effectively diversified portfolio
- Follows a Multi-cap strategy, flexibility to invest across Large-cap, Mid-cap and Small-cap stocks

**Fixed Income Strategy**
- The fixed income portion is invested in corporate bonds and bank perpetual bonds and GILTS
- The maturity profile of debt portion depends on interest rate outlook. Modified duration as on May, 2018 is 1.84 years

**Equity Arbitrage Strategy**
- Hedged equity allocation to gain from spread between future and spot prices

The current investment strategy is subject to change depending on the market conditions. For complete details on investment strategy, refer SID/KIM of the scheme. For complete portfolio details, visit www.hdfcfund.com

**FUND POSITIONING RISK QUOTIENT**

- HDFC Equity Savings Fund is less volatile than hybrid equity funds since it has a limited exposure to unhedged equity (max up to 40%)
- Suitable for conservative investors
- Aims to provide returns while managing risks efficiently
- **Equity Taxation** – Better tax efficiency than debt funds

*Provided the scheme meets the criteria as an equity oriented scheme as per prevalent Income tax laws. HDFC Mutual Fund/AMC is not guaranteeing return on investments made in the scheme. In view of individual nature of tax consequences. Each unit holder is advised to consult his/her own professional tax advisors.

**PERFORMANCE SCENARIO ANALYSIS OF HYBRID PORTFOLIO STRATEGY**

<table>
<thead>
<tr>
<th>Scenario Analysis</th>
<th>Assumed Un-hedged Equity Portion returns (35% weight)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25%</td>
</tr>
<tr>
<td>Assumed Hedged + Fixed Income returns (65% weight)</td>
<td>9%</td>
</tr>
<tr>
<td>8%</td>
<td>14.0%</td>
</tr>
<tr>
<td>7%</td>
<td>13.3%</td>
</tr>
</tbody>
</table>

**HOW TO READ THE TABLE?**

- Lets take an example of the cell shaded in red.
- Arbitrage & Fixed Income: 8%return x 65%exposure = 5.2%contribution; Equity: 15%return x 35%exposure = 5.2%contribution
- Performance of the Hybrid Portfolio Strategy = 10.4%return

The scenarios of hybrid portfolio of equity, arbitrage and fixed income provided in the table above does not in any manner offer any assured returns and is subject to market risks. The above scenario analysis does not take fund expenses into account. The rates of return shown are assumed figures and not to be construed as actual returns and/or guaranteed returns. HDFC Mutual Fund/AMC is not guaranteeing returns on investments made in the Scheme. The information provided herein is used to explain the concept and is given for illustrative purposes only. The same is not sufficient and shouldn’t be used for the development or implementation of an investment strategy. It should not be construed as an investment advice to any party.

w.e.f. 23 May 2018, the fundamental attributes of the scheme has been changed. For complete details refer KIM/SID.