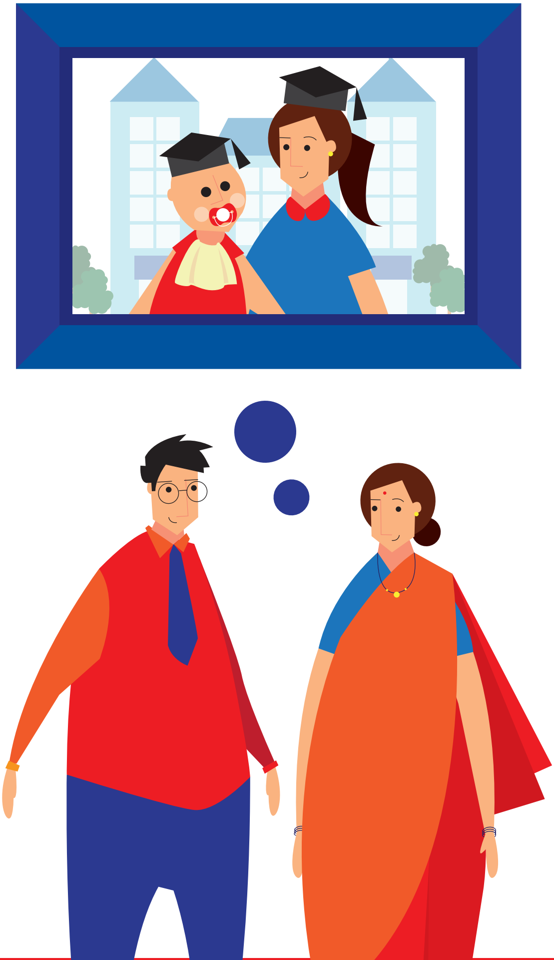
Securing Your CHILD'S FUTURE

HDFC MUTUAL FUND

INVEST-WISE
An Investor Education Initiative

YOUR CHILD'S FUTURE

Providing for your child's future is a goal that is dear to our heart. We like to do nothing but the best we can. We like them to have a future that is brighter, bigger and better than our present.



In this day and age, we realise that dreams come with a price tag.

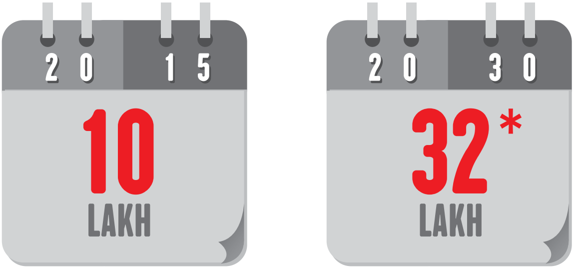
MAKING AN ESTIMATE

If it costs Rs.10 lakh to provide good quality education to your child today, to make an estimate of what it might cost in the future, we have to do the math using two more numbers:

The assumed rate of inflation (say 8%)
The number of years in which we will need the money (say 15 years)

INFLATION	YEARS
8%	15

Money required = (Money today)*(1+inflation rate)^number of years.

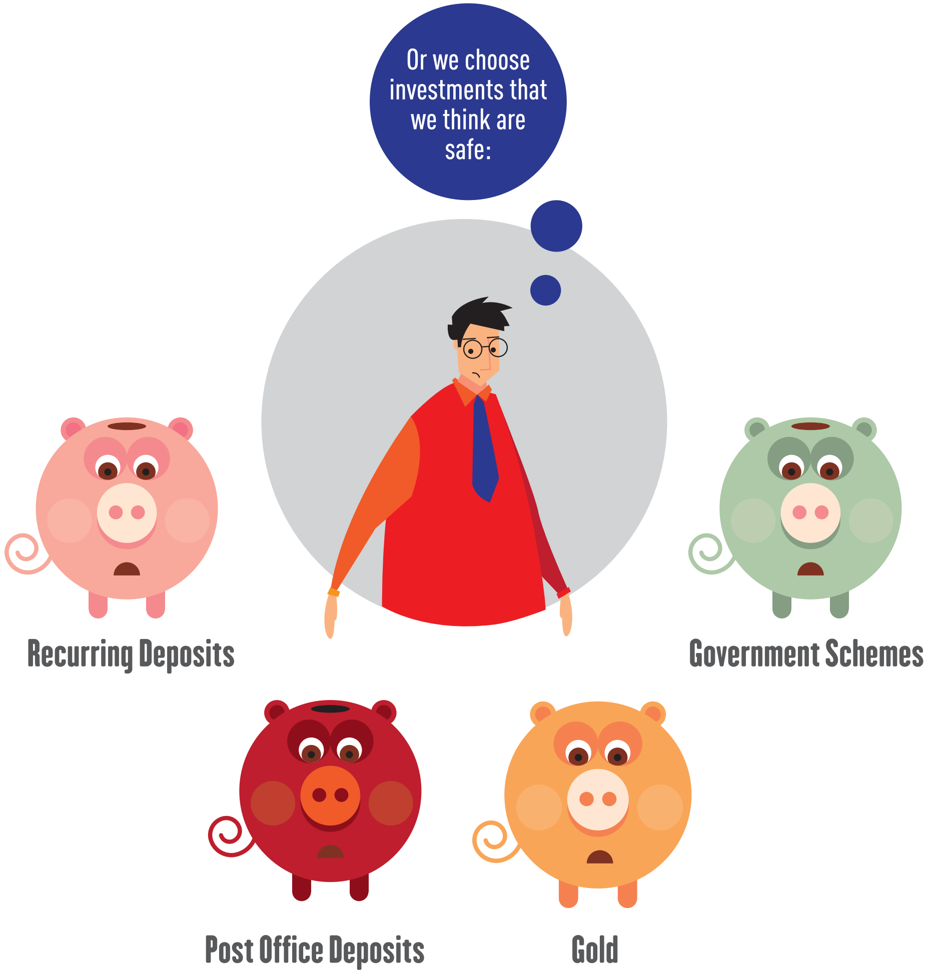


*Rs.31.7 Lakh has been rounded off to Rs.32 Lakh

Value of Rs. 10 lakh today will become 10 *(1.08)^15 = Rs. 31.7 lakh.

WORKING FOR IT

We do what it takes to get there. Most of the time, we assume that we should save a lot.

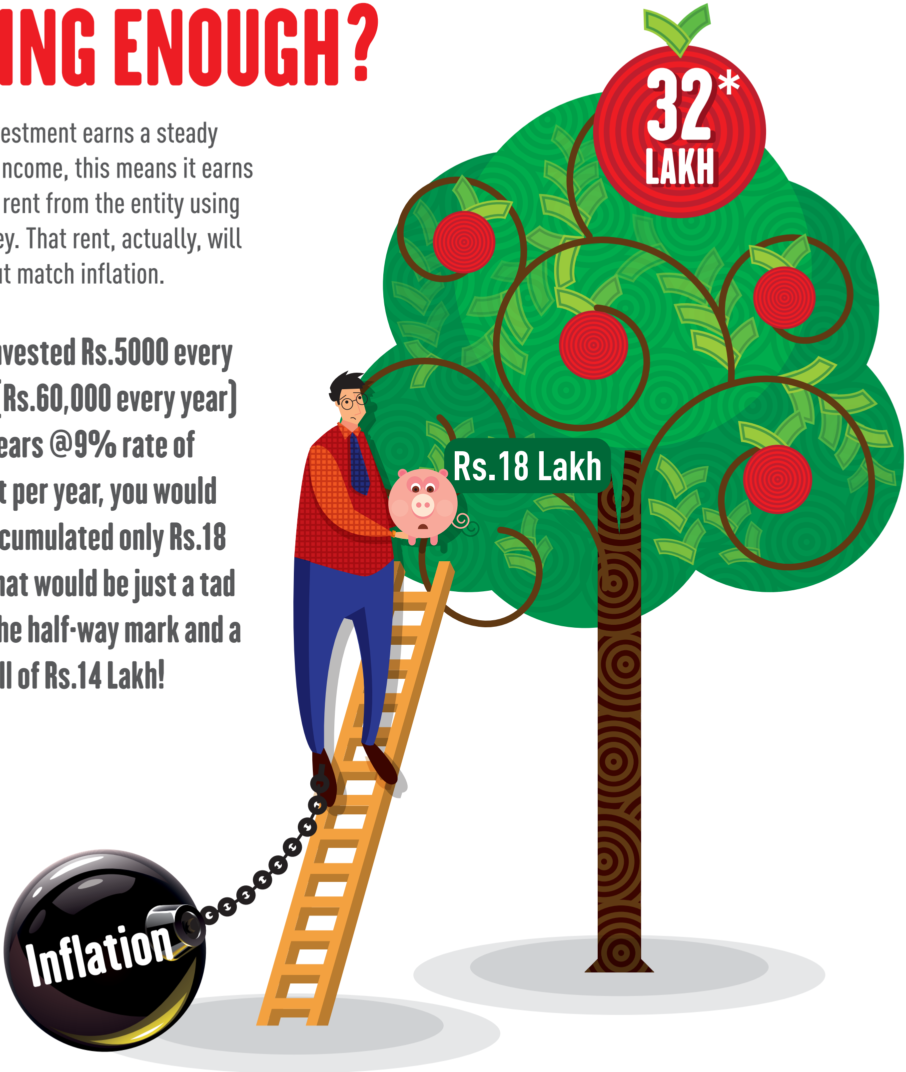


Do we pause to ask if we are doing the right thing?

ARE YOU DOING ENOUGH?

If our investment earns a steady interest income, this means it earns a simple rent from the entity using our money. That rent, actually, will just about match inflation.

If you invested Rs.5000 every month (Rs.60,000 every year) for 15 years @9% rate of interest per year, you would have accumulated only Rs.18 Lakh. That would be just a tad above the half-way mark and a shortfall of Rs.14 Lakh!



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So when you fund your child's education with simple interest-bearing products, you may just match inflation, and not do enough.

YOUR ALTERNATIVE CHOICE

If your goal is far away, the money you save should grow bigger and beat inflation. That is why you need equity investments. **Equity investing is a choice that enables growth and capital appreciation.** The user of your funds won't simply pay you a fixed interest. The growth in their business, is reflected in your return, through the appreciation in the value of the equity share. That can make all the difference.

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ISN'T IT RISKY?

Equity investing is ideal for long term goals, since it is capable of beating inflation.

But not all businesses do well. Some succeed spectacularly. Some fail miserably. That is why trading in shares, or buying this and that can be very risky. You cannot bet on equity shares and hope to make money from that.

DIVERSIFICATION IS THE ANSWER

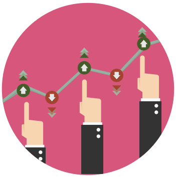
Your savings are likely to appreciate in value over time, if you instead invested in a portfolio of shares.

A diversified portfolio holds shares of big and small, old and new, Indian and foreign i.e. diverse companies. This means you are likely to see ups and downs in the economic cycles, but as long as there are successful businesses out there, equity investing will remain worthwhile.

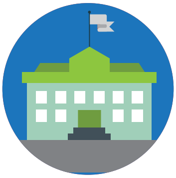
CHOOSE EQUITY-ORIENTED FUNDS

To beat inflation and meet your cherished long-term goals, choose equity-oriented mutual funds

They are professionally managed for a fee



They are reviewed and monitored by fund managers



They are well regulated by the regulator

They publish their performance and are widely analysed

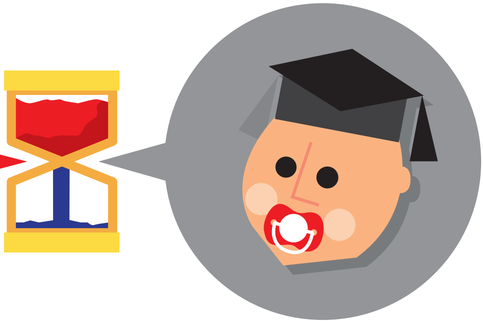
Choose a wise option to secure the future of your child.

WHY CHILDREN'S PLANS FROM MUTUAL FUNDS

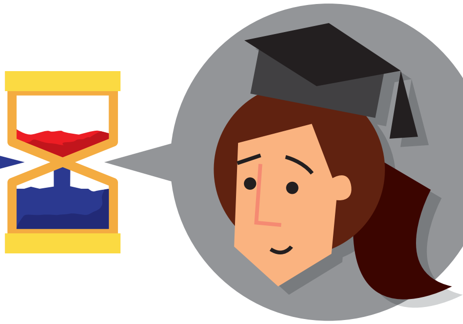
Children's Plans from Mutual Funds are products specifically designed for your dreams for your child. It adds the benefit of equity to an interest-earning portfolio of debt products, **to help you fight inflation**

It comes with two options:

1 An equity-oriented plan for young children



2 A debt-oriented plan for older children



HOW TO USE IT?

Begin a systematic investment plan at an early date when your child is young.

Increase the SIP amount every year by at least 10%.

Top it up whenever you can. Invest the gifts and prize money into the fund.

Once your child is 18, draw from the fund to meet educational expenses.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS,
READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

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A Centre for Investment Education and Learning Initiative