



HDFC Children's Gift Fund - Investment Plan

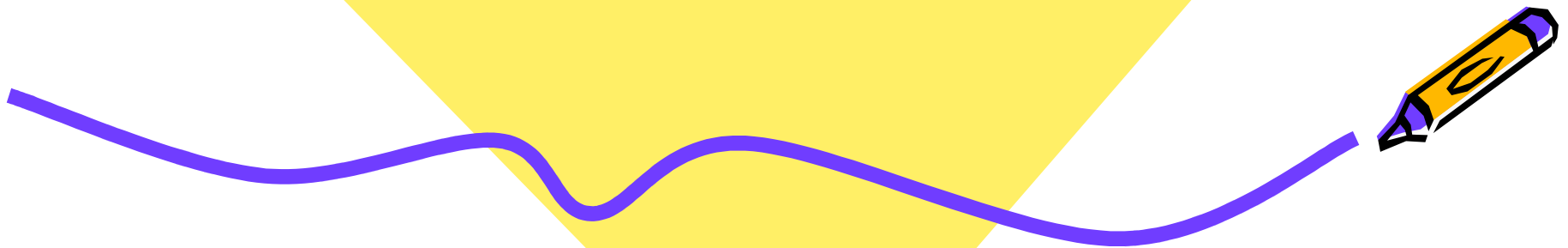
(Open - Ended Balanced Scheme)

Your child's stepping stone to the
future.





"Education is the passport to the
future, for tomorrow belongs to
those who prepare for it today"
-Malcolm X



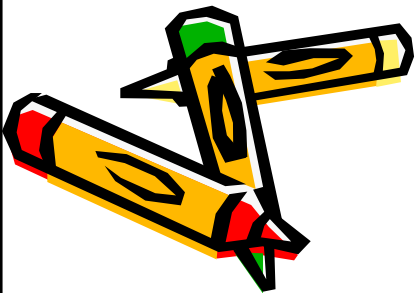
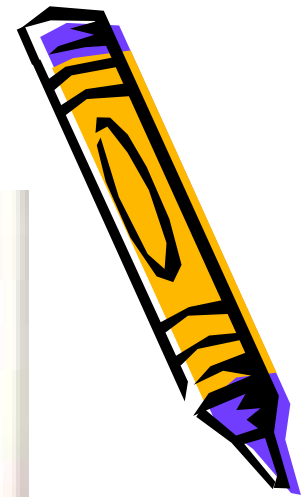


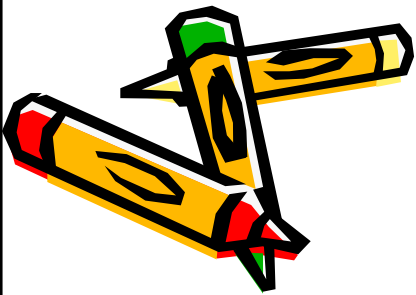
"Education is the best friend. An educated person is respected everywhere. Education beats the beauty and the youth."

-Chanakya



What do you want your child to be when she/he grows up??



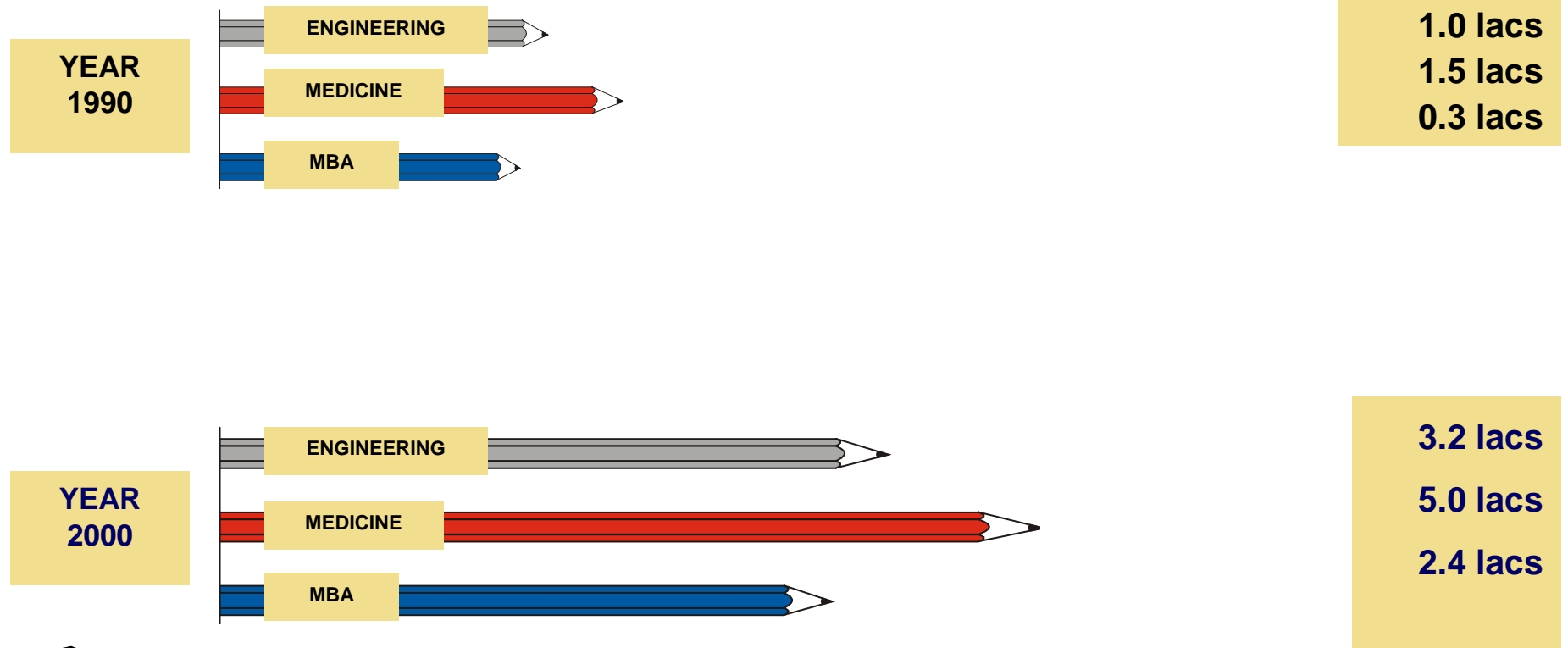


Can you guess
how much your
child's
education
will cost
you?



Escalating costs of Higher Education*

(in ₹)

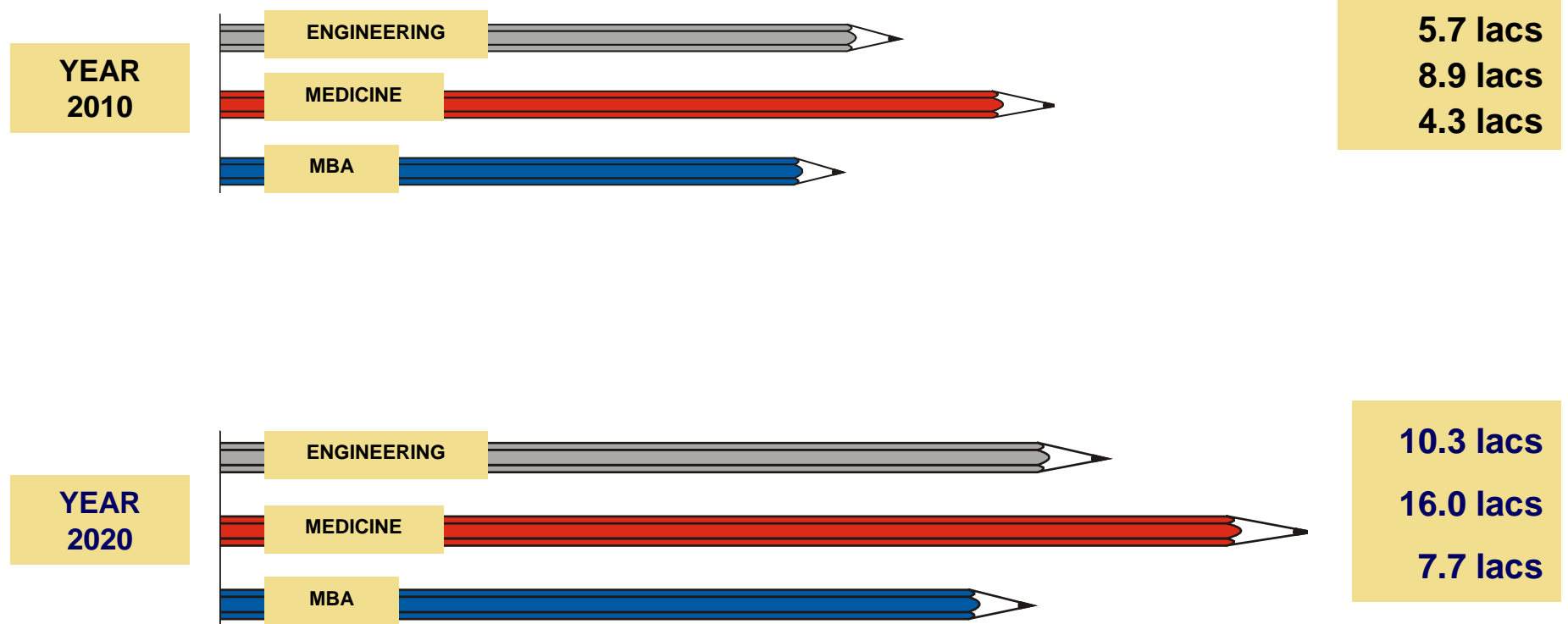


*At an average annual inflation of 6% p.a. (only approximate cost)

The above simulation is for illustrative purposes only.

Escalating costs of Higher Education*

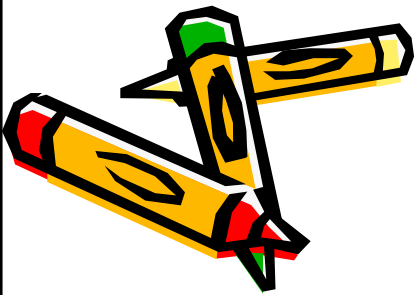
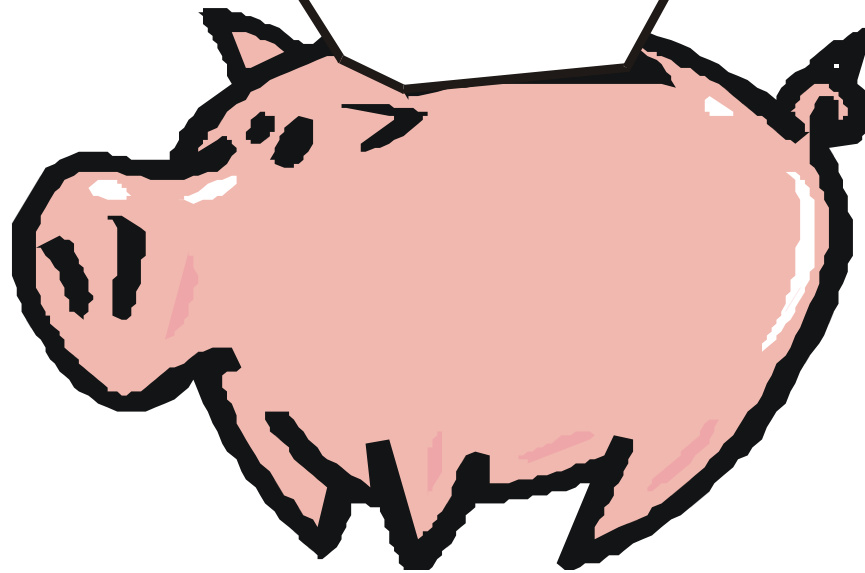
(in ₹)



*At an average annual inflation of 6% p.a. (only approximate cost)

The above simulation is for illustrative purposes only.

***What your
savings can
generate ?***



What your savings may generate? - One Time Investment

----- Assumed Rate of return (p.a.) -----

One - time investment (in ₹)	<u>6%</u>	<u>8%</u>	<u>10%</u>
	<u>(at the end of 15 yrs.) *</u>		Amount in ₹
200,000	4,88,644	6,56,206	8,79,958
100,000	2,44,322	3,28,103	4,39,979
50,000	1,22,161	1,64,052	2,19,989
20,000	48,864	65,621	87,996
10,000	24,432	32,810	43,998

* for an initial one- time investment, compounded quarterly, for a 15 year period. The above figures are for illustration purposes only. It should not be construed as investment advice. HDFC Mutual Fund is not forecasting any returns nor is it attempting to portray the future performance of any of its schemes.



What your savings may generate? - Monthly Savings

----- Assumed Rate of return (p.a.) -----



Savings per month (for 15 yrs.)	Total amount invested (in ₹)	<u>6%</u>	<u>8%</u>	<u>10%</u>
		(at the end of 15 yrs.)*		
		Amount in ₹		
(₹)				
5000	9.0 lacs	14.61 lacs	17.41 lacs	20.89 lacs
4000	7.2 lacs	11.69 lacs	13.93 lacs	16.71 lacs
3000	5.4 lacs	8.76 lacs	10.45 lacs	12.53 lacs
2000	3.6 lacs	5.84 lacs	6.96 lacs	8.35 lacs
1000	1.8 lacs	2.92 lacs	3.48 lacs	4.17 lacs



* monthly instalments, compounded monthly, for a 15 year period
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Invest Early !



An illustration....

Sunita is 2 years old

Her parents invest
₹ 5,000/- every month
for the next 5 years

Total Investment :
₹ 3 lacs



...illustration

Deepak is 12 years old

His parents invest
₹ 5,000/- every month
for the next 5 years

Total Investment :
₹ 3 lacs



Who do you think has
more money at the
age of 17 ?



At the age of 17...



Deepak has
₹ 3.67 lacs*



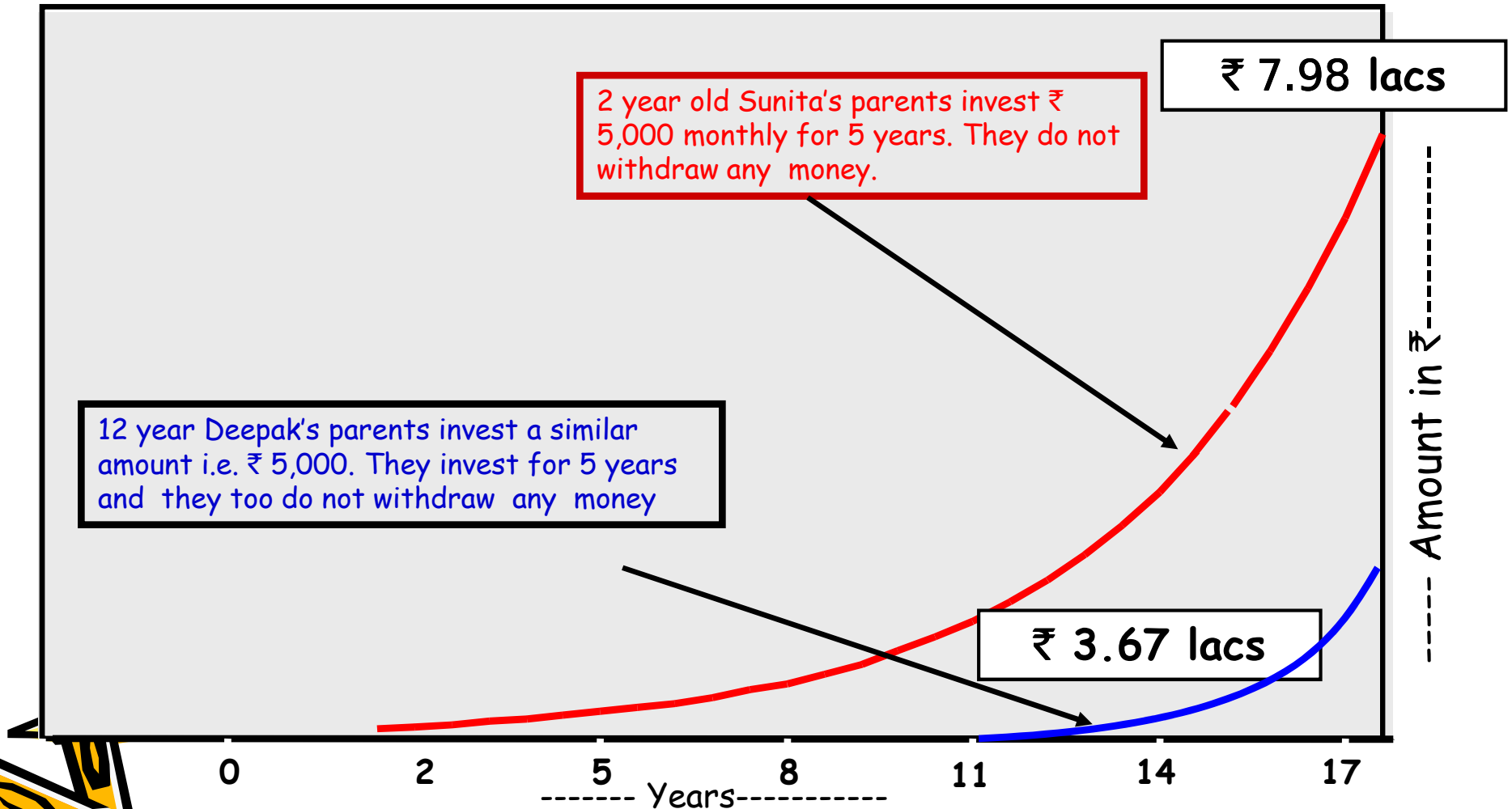
Sunita has
₹ 7.98 lacs*

The delay of 10 years, cost Deepak ₹ 4.31 lacs

*Figures based on assumed rate of 8% p.a. interest compounded monthly. The above figures are for illustration purposes only. It should not be construed as investment advice. HDFC Mutual Fund is not forecasting any returns nor is it attempting to portray the future performance of any of its schemes.



THE POWER OF COMPOUNDING



This illustration explains the power of compounding concept . The above figures are for illustration purposes only. It should not be construed as investment advice. HDFC Mutual Fund is not forecasting any returns nor is it attempting to portray the future performance of any of its schemes.



So, how do we
plan our investments ?



First, consider your....

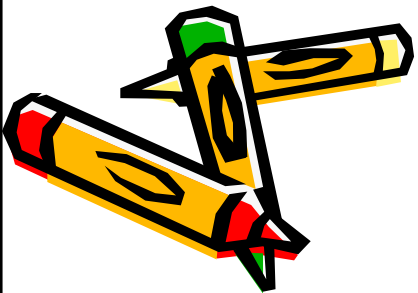
- Financial goals
- Risk-taking ability
- Expected Return
- Investment Period



Strategy To Smart Investing

- Identify Objective
- Start early and invest regularly
- Focus long-term and stay invested
- Beware of the effects of inflation & taxes

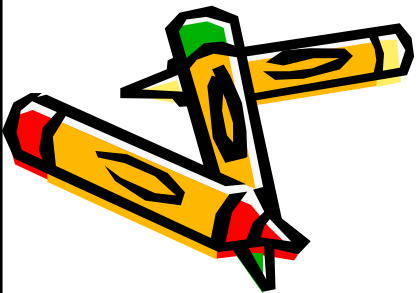




Why HDFC Mutual Fund ?

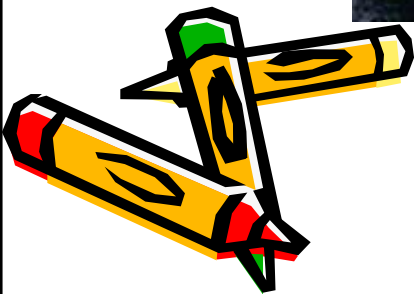
Why HDFC Mutual Fund ?

- Conservative approach to investing
- Long term commitment
- Experience in Fund Management





Presenting
HDFC Mutual Fund's
Children's Gift Fund -
Investment Plan



Scheme Features

HDFC Children's Gift Fund (CGF) - Investment Plan

- **Investment Objective :**

The primary objective of both the Plans (viz. Investment Plan & Savings Plan) offered under the Scheme is to generate long term capital appreciation.

- **Plan :**

- **Investment Plan (Equity Oriented)** - Equity & Equity linked instruments 40%-75%. Debt Securities and Money Market instruments (including cash / call money / securitised debt) 25%-60%. Investment in securitised debt, not to exceed 20% of the net assets.

- **Eligibility (of Unit holder) :**

- Children less than 18 years of age as on the date of investment by the Investor / Applicant.



...Scheme Features

- **Minimum Application Amount :**

- Purchase: ₹ 5000 and any amount thereafter.

- Additional Purchase: ₹ 1000 and any amount thereafter.

- **Lock-in Period :** (If opted) Until the Unit holder (being the beneficiary child) attains the age of 18 years or until completion of 3 years from date of allotment, whichever is later.

- **Load Structure for HDFC CGF - Investment Plan**

- **Entry Load :** Not Applicable*

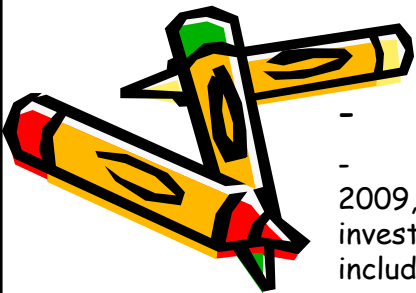
- **Exit Load :**

- For Units subject to Lock-in Period : **NIL**

- For Units not subject to Lock-in Period: 3% if the Units are redeemed / switched-out within one year from the date of allotment; 2% if the Units are redeemed / switched-out between the first and second year of the date of allotment; 1% if Units are redeemed / switched-out between the second and third year of the date of allotment; Nil if the Units are redeemed / switched-out after third year from the date of allotment.

- No entry / exit load shall be levied on bonus units.

- * Entry Load: Not Applicable. Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor. Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder.



...Scheme Features

- **Insurance Cover*** : Personal Accident Insurance Cover for Parent / Legal Guardian (upto the age of 80 years) of the Unit holder, equivalent to 10 times the cost value of the outstanding Units held by the Unit holder under all the applications / account statements / folios, subject to a maximum amount of ₹ 10 lakhs per Unit holder. The insurance premium in respect of the personal accident insurance cover will be borne by the AMC. This accident insurance cover is subject to conditions of the group personal accident insurance policy obtained by AMC from 'The New India Assurance Company Ltd.'

*For further details read the Scheme Information Document.



HDFC Children's Gift Fund- Investment Plan Relative performance:



Performance as at September 30, 2010.(NAV per Unit: ₹ 41.623)				
	Last 1 year September 30, 2009	Last 3 years September 28, 2007	Last 5 years September 30, 2005	Since Inception March 02, 2001
HDFC Children's Gift Fund- Investment Plan [^] \$	37.87~	13.06	14.69	19.26
Crisil Balanced Fund Index ^{**}	14.21	7.90	14.55	NA
NAV Per Unit (₹)	30.191	28.770	20.970	10.00

[^] Above Returns are compounded annualised (CAGR).



Past performance may or may not be sustained in the future.

NA - Not available.

~ Due to an over all sharp rise in the stock prices

\$ Adjusted for bonus units declared under the Scheme.

** Benchmark Index.

Benefits of Systematic Investment Plan (SIP)



This is how your investments would have grown if you had invested ₹ 1000 systematically every month over a period of time, in HDFC Children's Gift Fund - Investment Plan.

<u>HDFC Children's Gift Fund - Investment Plan</u>				
SIP Investments	Since	5 Year	3 Year	1 Year
	Inception (SIP)	SIP	SIP	SIP
Total Amount Invested (₹)	115,000	60,000	36,000	12,000
Market Value as on September 30, 2010 (₹)	315,290	99,980	57,140	16,210
Returns (Annualised)*	20.06%	20.52%	32.40%	70.67%
Benchmark Returns #	N.A.	14.98%	18.96%	43.24%

Past performance may or may not be sustained in the future. #CRISIL Balanced Fund Index

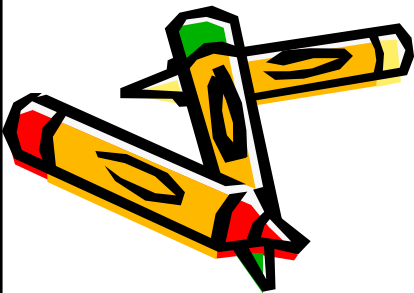
*Load is not taken into consideration. Inception Date: March 02, 2001

Returns are of Growth Option

Assumption

1. Investment of ₹ 1000 per month systematically on the first business day of every month over a period of time.
2. The first SIP investment starts from the month following the date of inception.

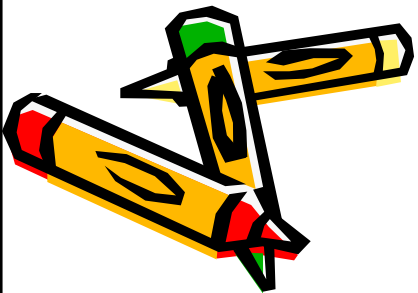
Disclaimer: The above investment simulation is for illustration purpose only and should not be construed as a promise on minimum returns and safeguard of capital. HDFC Mutual Fund / HDFC Asset Management Company Ltd. is not guaranteeing or promising or forecasting any returns. SIP does not assure a profit or guarantee protection against loss in a declining market.

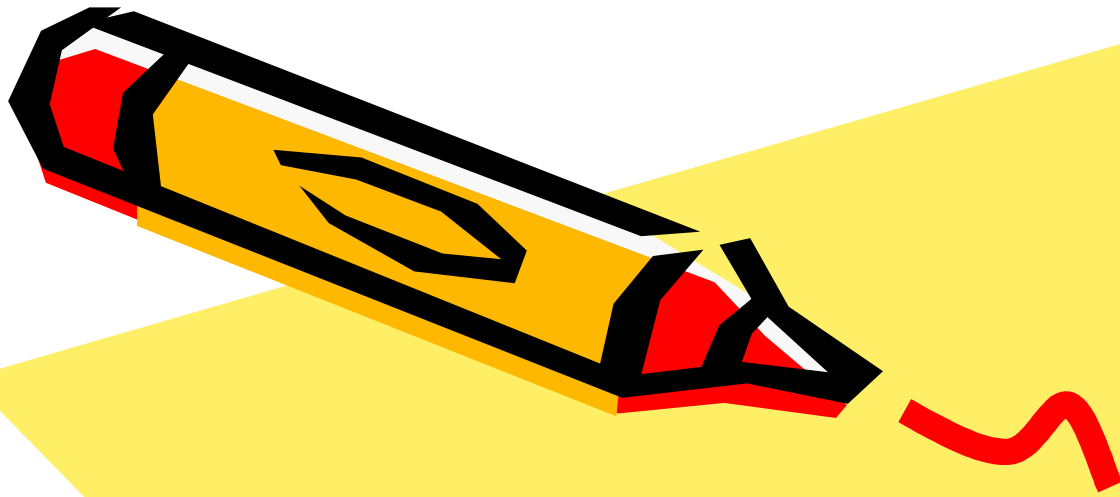


Advantages of Systematic Investing

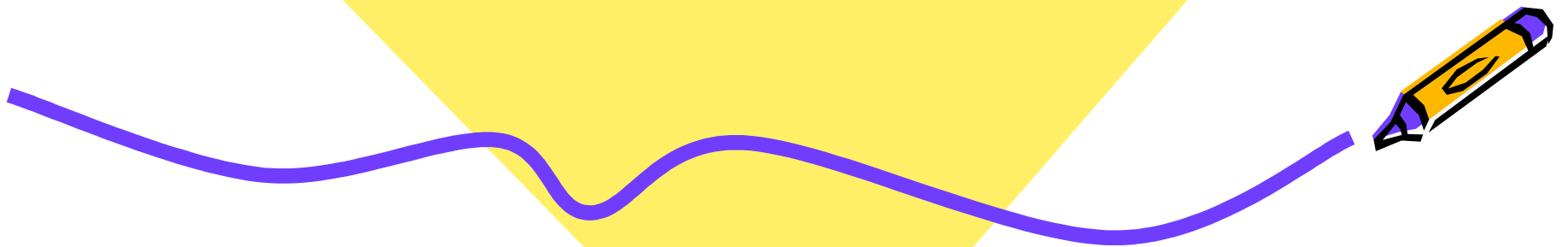


- Disciplined Investments (remember, an investor's worst enemy is not the stock market, but his own emotions)
- Reach your financial goals
- Take advantage of Rupee Cost Averaging
- Grow your investments with compounded benefits
- Do all this effortlessly





**Failing to plan is
planning to fail!**



Start Now...



**Invest in your child's
future**

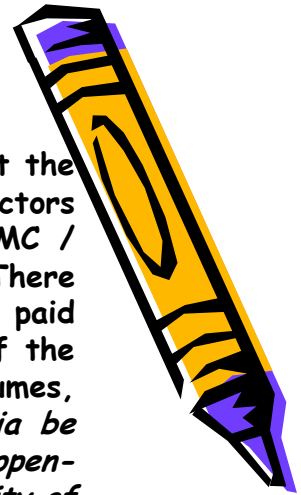
Disclaimer

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Risk Factors

All mutual funds and securities investments are subject to market risks and there can be no assurance that the Schemes' objectives will be achieved and the NAV of the Schemes may go up or down depending upon the factors and forces affecting the securities market. Past performance of the Sponsors and their affiliates / AMC / Mutual Fund and its Scheme(s) do not indicate the future performance of the Scheme of the Mutual Fund. There is no assurance or guarantee to unit holders as to the rate of dividend distribution nor that dividends will be paid regularly. Investors in the Schemes are not being offered any guaranteed / assured returns. The NAV of the units issued under the Schemes may be affected, inter-alia by changes in the interest rates, trading volumes, settlement periods, transfer procedures and performance of individual securities. The NAV will *inter-alia* be exposed to Price / Interest Rate Risk and Credit Risk. *Investment Plan under HDFC Children's Gift Fund, open-ended balanced scheme; is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme, its future prospects and returns. Please read the Scheme Information Document and Statement of Additional Information before investing. Investment Objective: HDFC Children's Gift Fund- The objective of both the Plans (viz. Investment Plan and Savings Plan under the Scheme) is to generate long-term capital appreciation. Asset Allocation Pattern: Investment Plan: Equity & Equity linked Instruments- 40% - 75%, Debt Securities & Money Market Instruments- 25% - 60% (Investment in Securitised debt, would not exceed 20% of the net assets of the Scheme) Load Structure: Investment Plan: Entry Load: Not Applicable. Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor. Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder. Exit Load: In case of Units subject to Lock-in period : Nil In case of Units not subject to Lock-in Period : 3% if the Units are redeemed / switched out within one year from the date of allotment, 2% if the Units are redeemed / switched out between first and second year of the date of allotment, 1% if the Units are redeemed / switched out between second and third year of the date of allotment, Nil if the Units are redeemed / switched out after third year from the date of allotment. Terms of Issue: Applications for subscriptions /redemptions /switches would be accepted at official points of acceptance on all Business Days at NAV based prices. The AMC will calculate and publish NAVs on all Business Days. In view of the individual nature of tax consequences, each investor is advised to consult his/her professional tax advisor. Statutory Details: HDFC Mutual Fund has been set up as a trust sponsored by Housing Development Finance Corporation Limited and Standard Life Investments Limited (liability restricted to their contribution of R 1 lakh each to the corpus) with HDFC Trustee Company Limited as the Trustee (Trustee under the Indian Trusts Act, 1882) and with HDFC Asset Management Company Limited as the Investment Manager*



THANK YOU

