

↑ INCOME
↓ TAX

NOW
deduction limit
increased to
₹ 1.5 lakhs[#]

Build wealth over the
long term + Save taxes.

INVEST IN

HD**FC**

TAXSAVER

An Open-ended Equity-Linked Savings
Scheme (ELSS) with a lock-in period of 3 years

Toll Free No.: 1800 3010 6767/1800 419 7676

 **HD****FC**

MUTUAL FUND


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[#]An Individual/HUF is entitled to deduction from gross total income for investments in Equity-Linked Savings Scheme (ELSS) up to ₹ 1.5 Lakh (along with other prescribed investments) under Section 80C of the Income-tax Act, 1961.

HDFC TAXSAVER




[An Open-ended Equity-Linked Savings Scheme (ELSS) with a lock-in period of 3 years]

This product is suitable for investors who are seeking*:

- growth of capital over long term
- investment predominantly in equity and equity related instruments
- high risk  (BROWN)

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Note: Risk is represented as:

 (BLUE) investors understand that their principal will be at low risk  (YELLOW) investors understand that their principal will be at medium risk  (BROWN) investors understand that their principal will be at high risk

HDFC TaxSaver (open-ended equity-linked savings scheme with a lock-in period of 3 years) has been designed keeping in mind the long-term investor. Not only does it help you avail tax deduction under Section 80C of the Income-tax Act, 1961 but its prudent investment philosophy helps you build wealth over the long-term.

Features

Investment Objective:

To achieve long-term growth of capital.

Plans/Options:

The plans viz. HDFC TaxSaver & HDFC TaxSaver - Direct Plan offers following options:

- Growth
- Dividend (with Payout and Reinvestment facility)

Minimum Application Amount/Number of Units (Under each Plan/Option):

Purchase	Additional Purchase	Repurchase
₹ 500 and in multiples of ₹ 500 thereafter	₹ 500 and in multiples of ₹ 500 thereafter	₹ 500 or 50 units

FUND MANAGER:

The scheme is managed by Vinay Kulkarni.

Load Structure:

Entry Load: Not Applicable

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: Nil

For further details on load structure, please refer to the Scheme Information Document/Key Information Memorandum of the Scheme. The Trustee reserves the right to change/modify the load structure from a prospective date.

Tax Deduction under Section 80C**

As per Section 80C and subject to provisions of the Income-tax Act, 1961, an individual/HUF is entitled to a deduction from Gross Total Income upto ₹ 1.5 Lakh (along with other prescribed investments) for amounts invested in Equity-Linked Savings Scheme. The Central Board of Direct Taxes has clarified that investments made on or after 1st April, 2005, in Plans, which are in accordance with ELSS, 1992 or ELSS 1992 as amended in 1998 are also eligible for tax benefits under Section 80C of the Income-tax Act, 1961.

The following example illustrates:

	EARLIER	NOW
(A) Assume Gross Total Income for the financial year is	₹ 12,00,000	₹ 12,00,000
(B) Investment in HDFC TaxSaver	₹ 1,00,000	₹ 1,50,000
Income on which tax will be paid (A-B)	₹ 11,00,000	₹ 10,50,000
Tax Saved on (B) above (Tax Rate assumed: 30%)	₹ 30,900*	₹ 46,350*

* Including education cess @ 2% and secondary and higher education cess @1%.

This implies that you will save taxes of ₹ 46,350 on investment. This is along with the returns your investment would possibly earn in this scheme.

****The information set out is neither a complete disclosure of every material fact of Income-tax Act 1961 nor does it constitute tax or legal advice. In view of the individual nature of the tax consequences, each investor is advised to consult his/her own professional tax advisor.**

Long Term Investing

One of the tenets of successful equity investing is the ability to understand that companies grow over a long period of time. However, all companies face tough times, squeezed margins, lower profits and crisis, putting pressure on the stock price in the short-term. The three-year lock-in period in this scheme provides the fund manager the flexibility to choose stocks with a longer-term horizon and remain invested. Buying shares of companies with sound fundamentals lies at the core of the scheme investment approach.

Low Churn

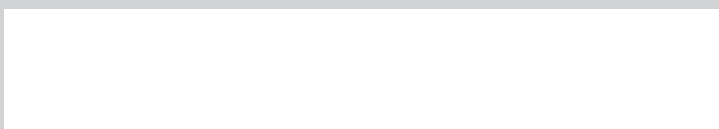
Short-term pressures such as frequent redemptions often force fund managers to churn their portfolio, i.e. sell some of their holdings. Every time a fund manager sells or buys some shares, the scheme incurs costs such as payments to brokers, Securities Transaction Tax, depository charges, etc. Hence, the more the churn, the higher the cost incurred by your investments. However, the three-year lock-in period doesn't put many redemption pressures on the fund manager helping him keep a low churn ratio (also referred to as portfolio turnover ratio). The structure of the scheme helps keep churn low.

Systematically Save Tax

Why wait till March to make your tax planning investments. Instead invest a small amount regularly every month through a Systematic Investment Plan (SIP) to meet your tax-planning objectives and reap the benefits of rupee cost averaging.

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

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