

INVEST IN HDFC FOCUSED EQUITY FUND - PLAN B

A Close Ended Equity Scheme investing in Eligible Securities as per
Rajiv Gandhi Equity Savings Scheme

Getting the most out of your investments can be tricky. HDFC MF brings you HDFC Focused Equity Fund – Plan B, that gives you an avenue to take part in India's growth story. Grow with India by harnessing the potential of equity.

NFO period - March 26, 2015 to April 24, 2015

Toll Free No.: 1800 419 7676


HDFC

**FOCUSED
EQUITY FUND - PLAN B**

**HDFC
MUTUAL FUND**

www.hdfcfund.com

This product is suitable for investors who are seeking*

- to generate capital appreciation for over 1100 days i.e. tenure of the fund
- investments in portfolio of equity securities which are 'Eligible Securities' as specified in Rajiv Gandhi Equity Savings Scheme
- 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:

Investors understand that their principal will be at:

 (**BLUE**) low risk

 (**YELLOW**) medium risk

 (**BROWN**) high risk

Type of Scheme:

HDFC Focused Equity Fund – Plan B is a 1100 Day close-ended equity scheme. The scheme will be compulsorily and without any further act by the Unit holder(s) redeemed on the Maturity / Final Redemption Date. On the Maturity / Final Redemption Date of the Plan, the Units under the scheme will be redeemed at the Applicable NAV.

Investment objective:

To generate long term capital appreciation from a portfolio of Eligible Securities as specified in the Rajiv Gandhi Equity Savings Scheme (RGESS). There is no assurance that the investment objective of the Scheme will be realized.

Where will the scheme invest?

Eligible Securities for the Scheme shall be the following underlying securities as mentioned under RGESS:

1. Equity shares, on the day of purchase, falling in the list of equity declared as "BSE-100" or "CNX- 100 by the Bombay Stock Exchange or the National Stock Exchange, as the case may be;
2. Equity shares of public sector enterprises which are categorized as Maharatna, Navratna or Miniratna by the Central Government;
3. Follow on Public Offer of sub-clauses (1) and (2) above; and
4. Initial Public Offer of a public sector undertaking wherein the Government shareholding is at least fifty-one per cent which is scheduled for getting listed in the relevant previous year and whose annual turnover is not less than four thousand crore rupees during each of the preceding three years.

The above mentioned list of Eligible Securities may be subject to change in accordance with RGESS guidelines, as amended from time to time.

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Investment Strategy

The investment strategy of the Scheme is to build and maintain a diversified portfolio of "Eligible Securities as specified under RGESS" that have the potential to appreciate in the long run. Companies identified for investment would include those who have demonstrated a potential ability to grow at a reasonable rate for the long term. The aim will be to build a portfolio that adequately reflects a cross-section of the growth areas of the economy from time to time. While the portfolio focuses primarily on a buy and hold strategy at most times, it will balance the same with a rational approach to selling when the anticipated price appreciation being achieved or being no longer possible due to a change in fundamental factors affecting the company or the market in which it competes, or due to the availability of an alternative that, in the view of the Fund Manager offers superior returns.

Who can invest?

All categories of investors who can generally invest in mutual fund schemes are eligible except persons/entities from the United States (US Person) as defined under the extant laws of the United States of America; Residents of Canada; Qualified Foreign Investors (QFI's); NRI's residing in any Financial Action Taskforce (FATF) declared non-compliant country or territory.

Note: However only an investor who qualifies as a 'New Retail Investor' under the RGESS guidelines will be eligible for tax benefit under section 80CCG of the Income Tax Act, 1961.

Asset Allocation

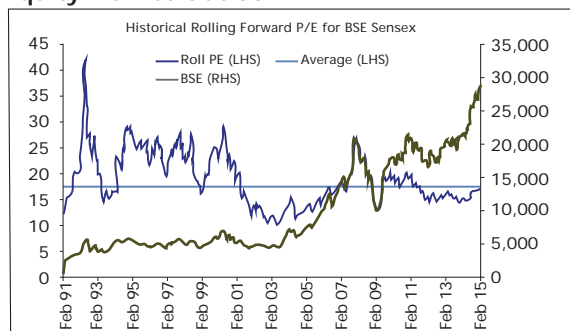
The table below provides the broad asset allocation of the Portfolio of the Plans under the Scheme to be followed under normal circumstances:

Type of Instruments	Minimum Allocation (% of Net Assets)	Maximum Allocation (% of Net Assets)	Risk Profile
Equity securities specified as Eligible Securities for RGESS	95	100	Medium to High
Money Market Instruments* and Liquid Schemes	0	5	Low to Medium

* The Scheme shall invest in Money Market Instruments as defined under SEBI (Mutual Funds) Regulations, 1996, with residual maturity of less than or equal to 91 days.

The scheme will not invest in ADR/GDR, foreign securities, derivatives or securitized debt. It will not undertake short selling or securities lending.

Equity Market Outlook



Source: Internal data

India is one of the best placed economies among the large economies of the world in terms of demographics, demand, growth, etc. Lower commodity prices, lower inflation and fiscal deficit amongst others have led to investors taking a positive view on India. With a focus on rejuvenating growth, the government has undertaken a series of policy measures. The 'Make in India' initiative has targeted manufacturing led growth.

The government delivered a very pragmatic budget with realistic financial assumptions. In our opinion, the budget sets the economy on a higher and sustainable growth path, desists from populism, and aims to improve business conditions, improve government's functioning and improve delivery of services to citizens while maintaining fiscal discipline.

Improving growth prospects of the economy, especially of the capex cycle, improving margin outlook of corporates, likely lower interest rates and reasonable valuations lead to a positive outlook for equity markets. The budget reinforces our view of improving economic conditions in India

Despite the market run up, the P/E's are still below long term averages. Hence markets are reasonably priced and have further scope for growth in the medium to long term.

HDFC Focused Equity Fund - Plan B - An investment opportunity

- Investment in India's established companies forming part of BSE 100 and CNX 100 and shares of PSU Navratnas, Maharatnas and Miniratnas as categorized by the Central Government.
- Investment universe covers approximately 75% of all Indian stocks listed by market capitalization as on February 28, 2015.
- Reasonable valuations providing an opportunity to buy stocks at decent valuations.
- Tax Benefits U/s 80CCG of Income Tax Act, 1961 in FY 2015-2016. (Refer www.hdfcfund.com for further details)
- Will be listed on the BSE & NSE.

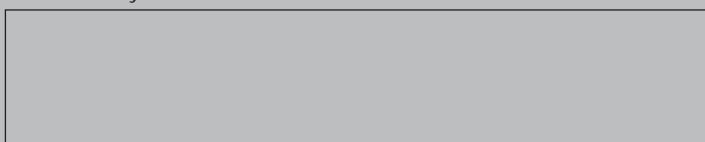
Scheme Features

Minimum Application Amount (Under Each Plan / Option)	Purchase: ₹ 5,000 and in multiples of ₹ 10/- thereafter
Investment Options*	<ul style="list-style-type: none"> ■ HDFC Focused Equity Fund - Plan B - Direct option ■ HDFC Focused Equity Fund - Plan B - Regular option
Investment Sub-Option	Under Each Option: Growth & Dividend payout.
Duration of the scheme	1100 days from the date of allotment of Units.
Tax Benefits	Investments made by 'New Retail Investor' in this Scheme will qualify for a 50% deduction of the actual amount invested as per Section 80CCG of the Income Tax Act, 1961. The maximum investment permissible for claiming deduction in a financial year is Rs.50,000/-.
Benchmark	S&P BSE 100 Index

For Complete details of the scheme, investors are requested to read the Scheme Information Document, section 80CCG of Income Tax Act, 1961 and the notification(s) on Rajiv Gandhi Equity Savings Scheme issued by the Ministry of Finance, from time to time. The same is also made available on our website, www.hdfcfund.com

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

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