Shubhchintak
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SMART INVESTMENTS CHOICE FOR YOUR CHILD'S INTERNATIONAL EDUCATION GOALS





Pursuing a degree at a prestigious US university is a dream cherished by many parents for their children. However, the financial aspect often poses a significant hurdle in turning this dream into a reality. To secure a bright future for their children's higher education, many parents embark on early savings journeys. Yet, they frequently find themselves overwhelmed by the multitude of available saving options, with many failing to outpace inflation and the appreciation of the US dollar. Fortunately, Mutual Funds have emerged as a reliable investment tool, showcasing commendable returns over the past few decades. Among the various types of Mutual Funds, US Equity Mutual Funds hold particular promise.

WHY OPT FOR US EQUITY MUTUAL FUNDS?

- **Mitigating the Impact of Rupee Depreciation:** The challenge of rupee depreciation looms large for parents aspiring to fund their children's foreign education, particularly in the US where expenses are denominated in US dollars. Any decline in the value of the rupee against the dollar translates into additional financial burdens for parents. The table below illustrates the depreciation of the rupee against the dollar:



Year	USD/INR
Jan 2008	39.28
Jan 2023	82.71

OBSERVING THESE 15 YEARS:

Absolute INR Devaluation: 52.5%
CAGR INR Devaluation: 4.84%

- **Global Economic Factors:** The performance of US equities is intricately tied to global economic factors. Investing in US-focused equity funds allows investors to benefit from the strength and stability of the US economy, particularly advantageous during times of uncertainty in other regions.



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- **Global Portfolio Diversification:** Incorporating US-focused equity funds in a portfolio offers an added layer of global diversification, beneficial for investors seeking to spread their risk across different markets and regions.

PERFORMANCE OF SELECT US EQUITY / DOLLAR-DENOMINATED FUNDS:

SCHEME	1 Year	3 Year	5 Year	10 Year
DSP US Flexible Equity Fund-Reg(G)	11.46	10.23	12.15	11.8
ICICI Pru US Bluechip Equity Fund(G)	10.57	10.22	12.79	12.11
Motilal Oswal S&P 500 Index Fund-Reg(G)	15.18	11.45	-	-
Nippon India US Equity Opp Fund(G)	21.45	7.09	12.47	-
PGIM India Global Equity Opp Fund(G)	30.18	1.19	13.48	7.23

**This is not a comprehensive list of Global Equity Funds. Report Date: 21/11/2023*

Understanding Risk: It is imperative to acknowledge the inherent risks associated with equity investments, particularly in Global Thematic Funds focused on the US equity market. Volatility and occasional drawdowns are integral to this journey. Hence, a robust risk tolerance is crucial, whether you choose lump sum investments or the systematic investment plan (SIP) approach.





Final Thoughts: Investing in US Equity Mutual Funds for your child's foreign education is not just a financial decision; it is a strategic move toward realizing their dreams. The path to a prestigious US university becomes smoother when guided by prudent investment choices. Amidst the multitude of savings options, Mutual Funds, and especially US Equity Mutual Funds, emerge as beacons of financial wisdom.

In the domain of securing your child's education financially, US Equity Mutual Funds emerge as valuable strategic partners. They not only provide a route to potential wealth accumulation but also align your investments with the global opportunities that US education offers. As you invest, remember that you are not merely financing an education; you are investing in a future brimming with possibilities for your child.

Disclaimer: Mutual Fund investments are subject to market risks. Please read the scheme related documents carefully before investing. The above is for illustration purposes only. Past performance is not an indication of future returns. Returns over 1 year period are annualised. Contact us for scheme-specific risk.

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