CHILDRN EQUITY FUND

SHARE BROTHER
Your Money Grow With Us

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AMFIRegistrationNumber:ARN-245683

💰 What is a children's fund?

A children's mutual fund is a special type of investment made for a child's future needs — like education, higher studies, or marriage.
It helps parents save money slowly and grow it over time for important milestones in their child's life.

These funds usually have a lock-in period of 5 years or until the child turns 18 – whichever is earlier.

- This lock-in helps avoid early withdrawals and encourages disciplined saving for long-term goals.
- Some AMCs offer children's funds with a 3-year lock-in, but most solution-oriented children's mutual funds follow the 5-year or age-18 rule as per SEBI guidelines.

📊 How do these funds invest?

- Most popular children's funds follow a hybrid approach: they invest predominantly in equities (about 60–80%) for long-term growth and the rest in debt and money market instruments for stability.
- There are usually two styles within the category: equity-focused plans for higher growth with higher volatility, and more debt-heavy variants for conservative investors

🌱 Key benefits for clients:

- Goal-linking: A separate folio in the child's name helps parents clearly ring-fence money for education and other milestones, instead of dipping into it for routine expenses.
- Discipline and compounding: The lock-in plus SIP investing exploits long-term compounding in equity while reducing the temptation to redeem during short-term volatility.

⚠️ Important risks and points to explain

- Market risk: Equity-oriented children's funds can see short-term ups and downs; they suit long horizons of 8–15+ years, not near-term goals.
- Liquidity and exit load: Early redemption is either not allowed or attracts higher exit load; clients must be comfortable locking money for at least 5 years.

📊 How to choose a children's fund:-

- Check 3–5 year track record versus category and benchmark (such as NIFTY 50 TRI) rather than just 1-year returns.
- Evaluate: asset allocation (equity vs debt), AUM and AMC pedigree, expense ratio, and whether the fund's risk level matches the child's goal horizon.


Savings
Toys
Education

Top 5 AMC children's funds and fund managers

- SBI Magnum Childrens Benefit Fund Investment Plan Reg
- ICICI Pru Childrens Fund Reg
- HDFC Children's Fund
- Baroda BNP Paribas Childrens Fund Reg
- Axis Children's Fund

Top 5 AMC children's funds Fund :

1.SBI Magnum Children's Benefit Fund Investment Plan:-

Scheme type: Solution-oriented children's fund, equity-oriented hybrid.
Indicative profile to client: Suitable for long-term child goals for investors comfortable with higher equity exposure and volatility.
Fund overview : The fund aims to grow your money over the long term by mainly investing in shares. It also invests a small part in debt and money market instruments to reduce risk and maintain stability.
Fund managers: Lokesh Mallya, R. Srinivasan, and Pradeep Kesavan manage this plan.
Lock-in period (or maturity condition): 5 years from allotment or until the child turns 18 (attains majority) — whichever is earlier.

2.ICICI Prudential Child Care Fund :-

Scheme type: Aggressive hybrid-style children's plan investing roughly 65–100% in equity and up to 35% in debt.
Client positioning: For parents seeking a growth-focused, high-risk, long-horizon solution for education/marriage planning.
Fund managers: The fund is managed by a team that includes Manish Banthia and George Heber Joseph (along with other named co-managers in different documents).
Fund overview : The plan seeks to generate long-term capital appreciation by investing in a portfolio that's a mix of equity and equity-related securities (approximately 65–100%) and debt/money-market instruments (0–35%

3.HDFC Children's Fund :-

Scheme type: Solution-oriented children's fund with large AUM and long operating history, investing mainly in equities with some debt exposure.
Client positioning: Suitable for parents preferring a large, seasoned scheme for long-term wealth creation for children.
Fund managers: Managed by designated HDFC AMC equity and hybrid fund managers; latest fact sheet should be checked for exact names at the time of recommendation.
Fund overview : To generate capital appreciation — and possibly income — from a mix of equity & equity-related instruments and debt/money-market instruments.

4.Axis Children’s Fund : -

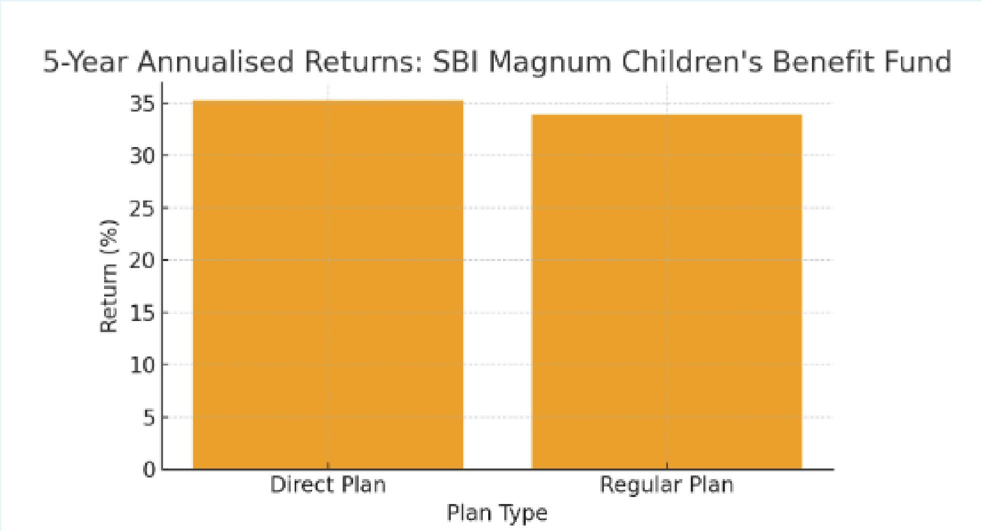
Scheme type: Children’s fund with a 5-year compulsory lock-in, equity-oriented hybrid with some debt allocation.
Client positioning: Fits investors who want a strict lock-in structure to enforce discipline while taking equity risk for long-term goals.
Fund managers: Currently managed by Jayesh Sundar, Devang Shah, and Hardik Shah.
Fund overview : To generate income by investing in debt & money market instruments along with long-term capital appreciation through investments in equity & equity-related instruments.”

5.Baroda BNP Paribas Children's Fund

Client positioning: Ideal for investors seeking discipline and inflation-beating returns for a child’s future goal like education, with the comfort of professional management and lock-in to avoid premature withdrawals
Scheme type :- Baroda BNP Paribas Children's Fund is a solution-oriented, equity-focused fund with a strict 5-year lock-in or until the child turns 18, whichever is earlier. It invests at least 80% in equities and up to 20% in debt/money market instruments for goal-based long-term growth.
Fund overview : To generate long-term growth by investing predominantly in a portfolio of equity and equity-related instruments.

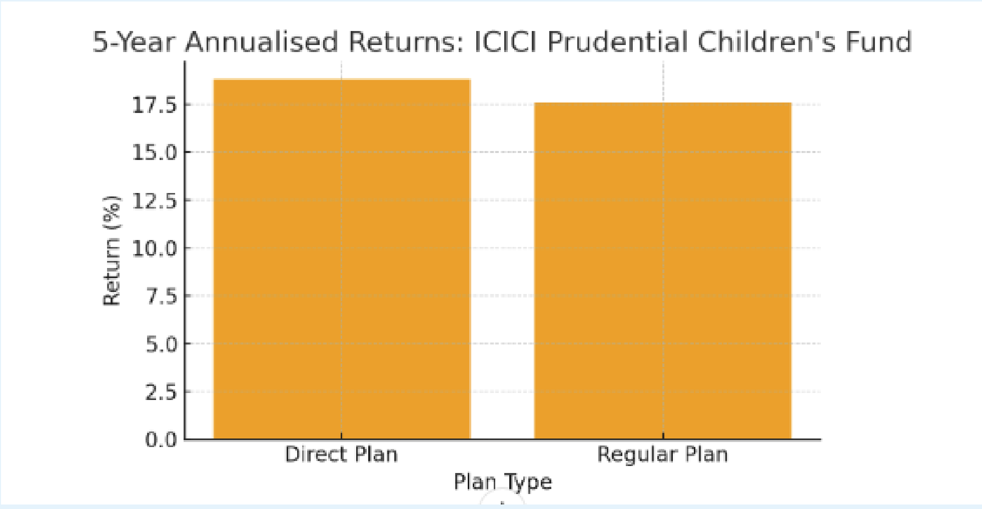
Performance of Gold :

1.SBI Magnum Children's Benefit Fund Investment Plan:-



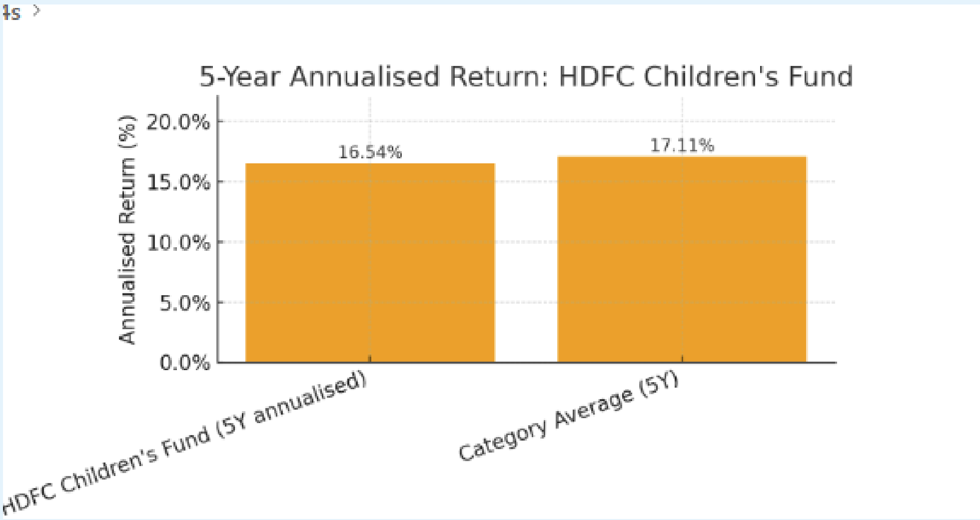
- The Regular Plan offers a 5-year annualised return of ~33.9%, slightly lower due to additional distribution/management costs.
- This plan shows very strong medium-term performance, especially considering it is a child-focused hybrid fund, balancing both equity and debt.
- The fund is suitable for:
- Long-term child goals such as education, higher studies, or future financial planning
- Investors who want a growth-oriented portfolio with some stability through debt allocation
- Parents aiming for consistent long-term wealth creation with moderate risk

2.ICICI Prudential Child Care Fund :-



- The Regular Plan has given a 5-year annualised return of ~17.6%, slightly lower due to commission/expense ratio differences.
- This Plan show strong medium-term performance, especially for a child-oriented hybrid fund.
- The difference of 1.2% per year may look small, but over long horizons like 10–15 years, it leads to significant extra growth in the Direct Plan.
- The fund is suitable for:
- Long-term goals such as education, marriage, or future planning
- Investors seeking a mix of equity growth + stability from debt

3.HDFC Children’s Fund :-



Key numbers used (trailing / trailing-period date shown):
HDFC Children's Fund — 5-year annualised: 16.54% (as reported around 25–26 Nov 2025).
Category average (5Y) — 17.11% (as reported by Economic Times summary).
The Economic Times
What I produced:
An interactive table (visible above) with the values.
A bar chart comparing the fund's 5Y annualised return to the category average.
If you want any of the following, I can update the chart right away:
Use the Direct plan instead of Regular (or vice versa) and plot both.
Plot monthly NAVs or year-by-year returns for the last 5 calendar years (I can fetch NAV history and compute exact yearly returns).
Save the chart as a PNG/PDF or create a presentation slide.

CONCLUSION

Children’s mutual funds are a good long-term investment option designed specifically to help parents build a corpus for their child’s future needs such as education, higher studies, or marriage. These funds combine equity for growth and debt for stability, making them suitable for long-term wealth creation.

Their biggest advantage is discipline — due to the lock-in period, the money remains invested for many years, allowing compounding to work effectively. However, investors must understand that returns are not guaranteed, markets can fluctuate, and early liquidity is restricted due to lock-in.

Overall, children’s funds are best suited for parents with a long investment horizon (5–15 years), moderate risk appetite, and clear future goals for their children. Used wisely, they can be an effective and dependable tool for securing a child’s financial future.

HOW TO ACCUMULATE A CORPUS FOR YOUR CHILD'S EDUCATION?

Estimated Future Cost of Child's Education = ₹25 Lakhs.
Assuming the rate of return for the mutual fund is 12%.

Child's Age	SIP Tenure	Amount to be invested each month	Total Value
 1 year	15 years	₹ 5,000	₹ 25,22,880
 6 years	10 years	₹ 10,800	₹ 25,09,262
 8 years	8 years	₹ 15,500	₹ 25,03,662

Note: You will have to consider the current price for the education, and the rate of inflation for a set period of time.

Thank You

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