

MAGNUM CHILDREN'S BENEFIT FUND

An open-ended fund for investment for children having a lock-in for at least 5 years or till the child attains age of majority (whichever is earlier)

SAVINGS PLAN | INVESTMENT PLAN

#BePrepared

FAQs



1. Can I as a parent invest in the name of my child from my bank account?

No. Investments can be made only in the name of Minor represented by Guardian (Adult Resident Individuals or Non-Resident Adult Individuals). Payment for investment by means of Cheque, Demand Draft or any other mode shall be accepted from the bank account of the minor or from a joint account of the minor with the guardian only.

2. Can a grandparent or a relative invest in the name of the child?

A grandparent or a relative can invest in the name of the child only if he / she is the court-appointed legal guardian.

3. What happens when the minor turns into major? Will there be an intimation for the same?

Mutual Fund will send an intimation to Unit holders advising the minor (on attaining majority) to submit an application form along with prescribed documents to change the status of the account from 'minor' to 'major'.

Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide PAN, KYC details, updated bank account details including cancelled original cheque leaf of the new bank account. No further transactions shall be allowed till the status of the minor is changed to major.

4. Once the minor turns into major, will the joint account be allowed for redemption proceeds?

Once the minor turns into major, it is expected that he / she should be getting the status updated in bank account as well. Subsequently the bank account with joint names, 1st being the Major Holder & 2nd being the Parent can be registered in the folio. Yes, redemption proceeds can be credited to such account.

5. Can I continue to invest in the name of my child after he / she turns 18?

No investments (lumpsum / SIP / switch-in / STP-in etc.) in the scheme would be allowed once the minor attains majority i.e. 18 years of age, till the status is changed to major.

6. After my child turns 18, can I initiate transaction or the status change from minor to major is required?

All transactions / standing instructions / systematic transactions etc. will be suspended i.e. the Folio will be temporarily frozen for operation by the guardian from the date of beneficiary child completing 18 years of age, till the status of the minor is changed to major. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide PAN, KYC details, updated bank account details including cancelled original cheque leaf of the new bank account.

7. Is there a lock-in period in the scheme?

Yes, the scheme has a lock-in for at least 5 years or till the child attains age of majority (whichever is earlier).

8. How many schemes are there in the Solution-Oriented – Children's Fund category?

We have two schemes i.e. SBI Magnum Children's Benefit Fund - Savings Plan which is debt-oriented and SBI Magnum Children's Benefit Fund - Investment Plan which is equity-oriented.

9. Is there an exit load in this scheme? Is it the same across plans?

Yes, there is an exit load which is applicable for both plans.

For all investments:

- With respect to units not subject to lock-in period and the holding period is less than 3 years:
 - 3% for redemption / switch-out on or before 1 year from the date of allotment
 - 2% for redemption / switch-out after 1 year and up to 2 years from the date of allotment
 - 1% for redemption / switch-out after 2 years and up to 3 years from the date of allotment
 - Nil for redemption or switch-out after 3 years from the date of allotment

10. If my units are free from lock-in, will there be an exit load applicable?

The exit load will be applicable if the holding period is less than 3 years. E.g.: If you invest when your child is 16, while the lock-in period ends the moment your child is 18, the holding period for your investment is less than 3 years and hence exit load will be applicable. Please refer to exit load of the scheme for details.

11. Can I switch my existing investment from SBI Magnum Children's Benefit Fund - Savings Plan to SBI Magnum Children's Benefit Fund - Investment plan? If yes, then whether exit load would be charged? Can switch over be done within lock-in period?

You can switch your existing investments from SBI Magnum Children's Benefit Fund - Savings Plan to SBI Magnum Children's Benefit Fund - Investment Plan provided the lock-in period in SBI Magnum Children's Benefit Fund - Savings Plan is over and the Child (in whose name the investment is made) continues to be a minor.

The exit load is applicable if the holding period is less than 3 years. So, if the child continues to be a minor even after the mandatory lock-in period of 5 years, then switch can be done and in this case exit load will not be applicable.

Switch cannot be done within the lock-in period.

12. Can the existing (minor period) investment continue to be invested post becoming a major?

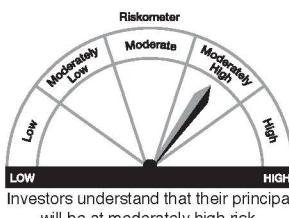
Yes, the existing investment can continue even after the minor becomes major. All transactions / standing instructions / systematic transactions etc. will be suspended i.e. the Folio will be temporarily frozen for operation by the guardian from the date of beneficiary child completing 18 years of age, till the status of the minor is changed to major. Also, upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new bank account.

13. Once the status is changed from Minor to Major, can I invest in the existing folio from my major bank account?

No, the investments in these schemes can only be made in the name of minor. Once the minor turns into major, no investments can be made in these schemes.

This FAQ is only for the purpose of providing general information. Please refer to respective Scheme Information Document for details. Recipient are advised to seek independent professional advice before making any investments. The views / content expressed herein do not constitute the opinions of SBI Mutual Fund or recommendation of any course of action to be followed by the reader. SBI Mutual Fund / SBI Funds Management Private Limited is not guaranteeing nor promising or forecasting any returns.

This product is suitable for investors who are seeking*:



SBI Magnum Children's Benefit Fund – Savings Plan
(An open-ended fund for investment for children having a lock-in for at least 5 years or till the child attains age of majority (whichever is earlier))

- Regular income and capital appreciation
- Investment primarily in debt and money market instruments and secondarily in actively managed equity and equity related instruments

SBI Magnum Children's Benefit Fund – Investment Plan
(An open-ended fund for investment for children having a lock-in for at least 5 years or till the child attains age of majority (whichever is earlier))

- Long term capital appreciation
- Investment primarily in actively managed equity and equity related instruments and secondarily in debt and money market securities

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