

23 DEVELOPED MARKETS
1500+ CONSTITUENTS
ONE FUND

HDFC DEVELOPED WORLD INDEXES FUND OF FUNDS

An open ended Fund of Funds scheme investing in units/ shares of Overseas Index Funds and/or ETFs which will in aggregate track the MSCI World Index



GLOBAL DIVERSIFICATION | ONE SOLUTION

September 2021

Refer disclosure on page 19 and disclaimers on page 26

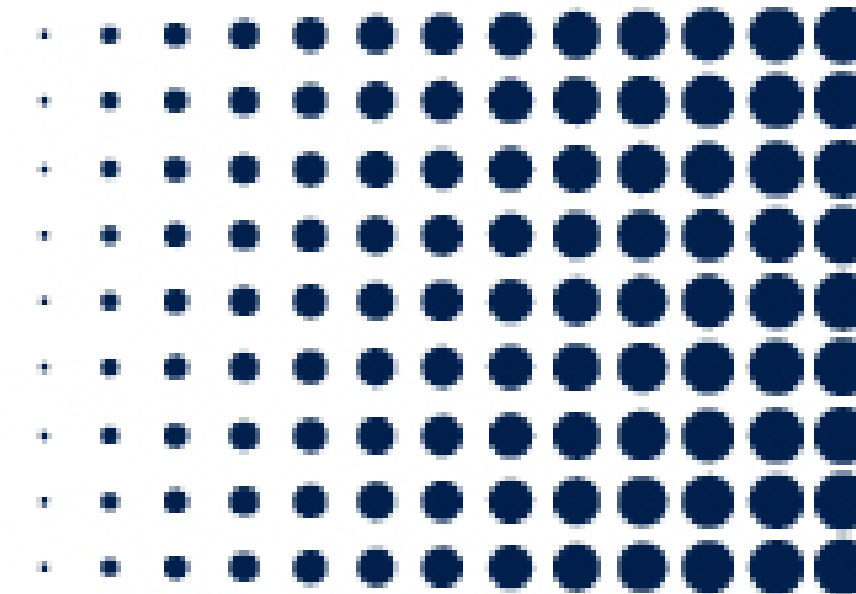
A Snapshot

HDFC Developed World Indexes Fund of Funds

- ✦ A Fund of Funds scheme that aims to generate returns through investments in a combination of ETFs and Index Funds.
- ✦ The scheme will endeavour to track the performance of the **MSCI World Index**.

MSCI World Index[^]

- ✦ Captures large and mid-cap representation.
- ✦ Across 23 developed markets countries.
- ✦ Covers approximately 85% of the free float-adjusted market capitalization in each country.
- ✦ 1500+ Constituents



[^]Data as on July 30, 2021.
Source: MSCI World Index (USD) | msci.com
Refer disclaimers on page 26

MSCI Developed Markets Classification Criteria



**Economic
development**



**Size and Liquidity
requirement**



**Market Accessibility
criteria**

Source: MSCI Market Classification framework June 2021. For details, refer Annexure 1.

Refer disclaimers on page 26



Components of MSCI Developed Market



Source : MSCI World Index (USD) | msci.com. Data as on July 30, 2021.

Refer disclaimers on page 26

MSCI World Index - Take off to the developed markets



5
Regions

23
Countries

14
Currencies

1559
Constituents

~56%
of the Global
GDP

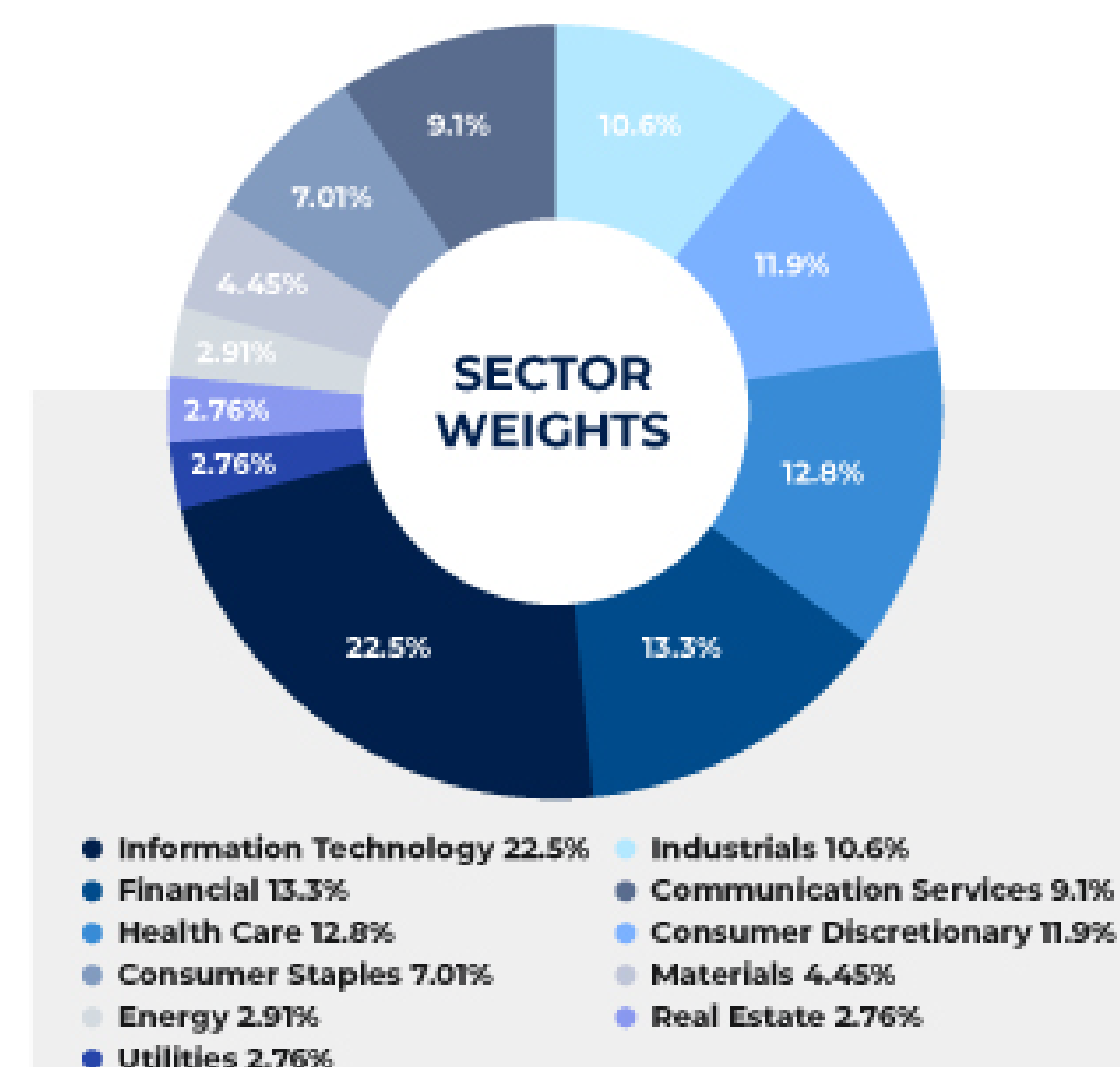
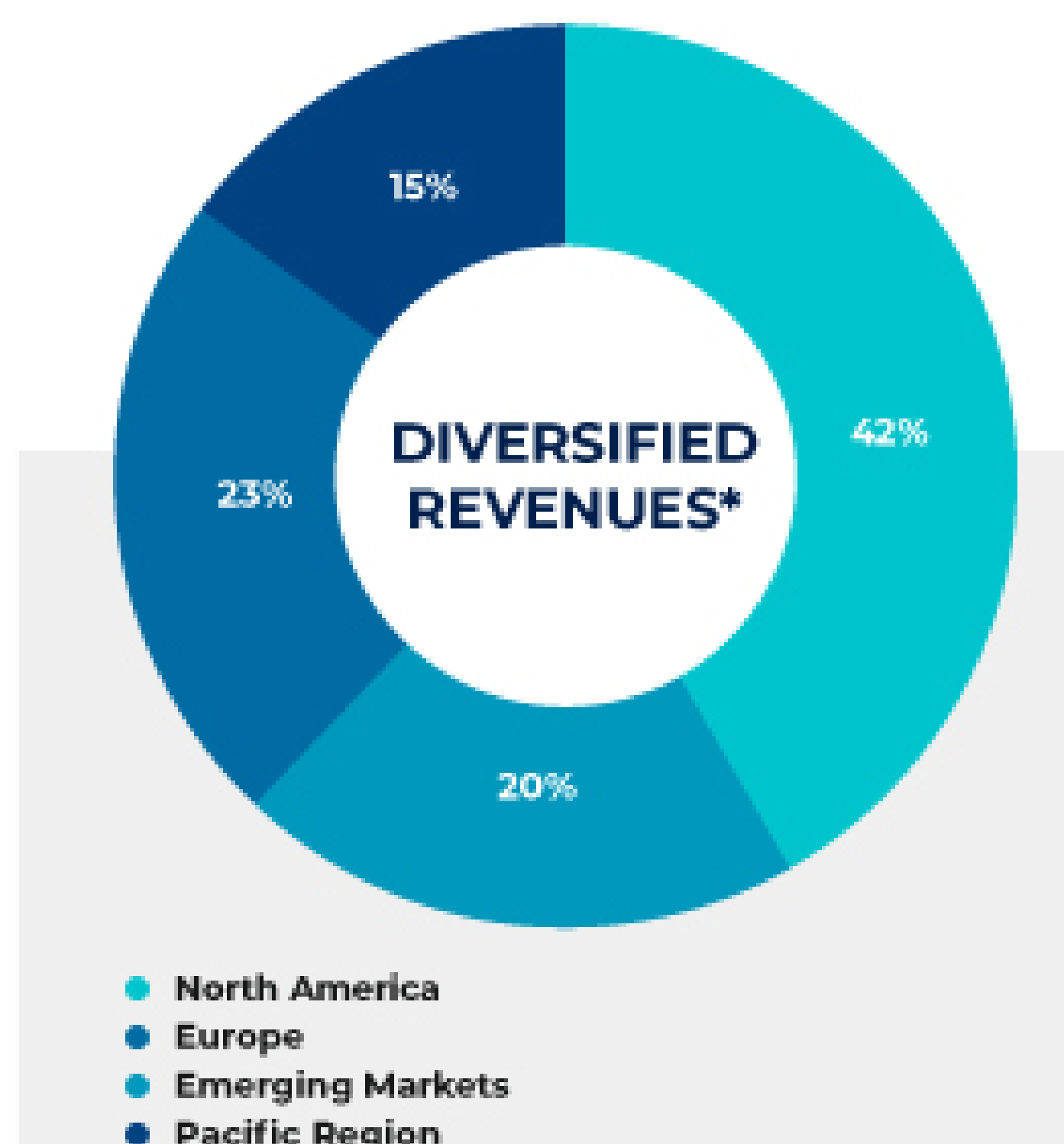
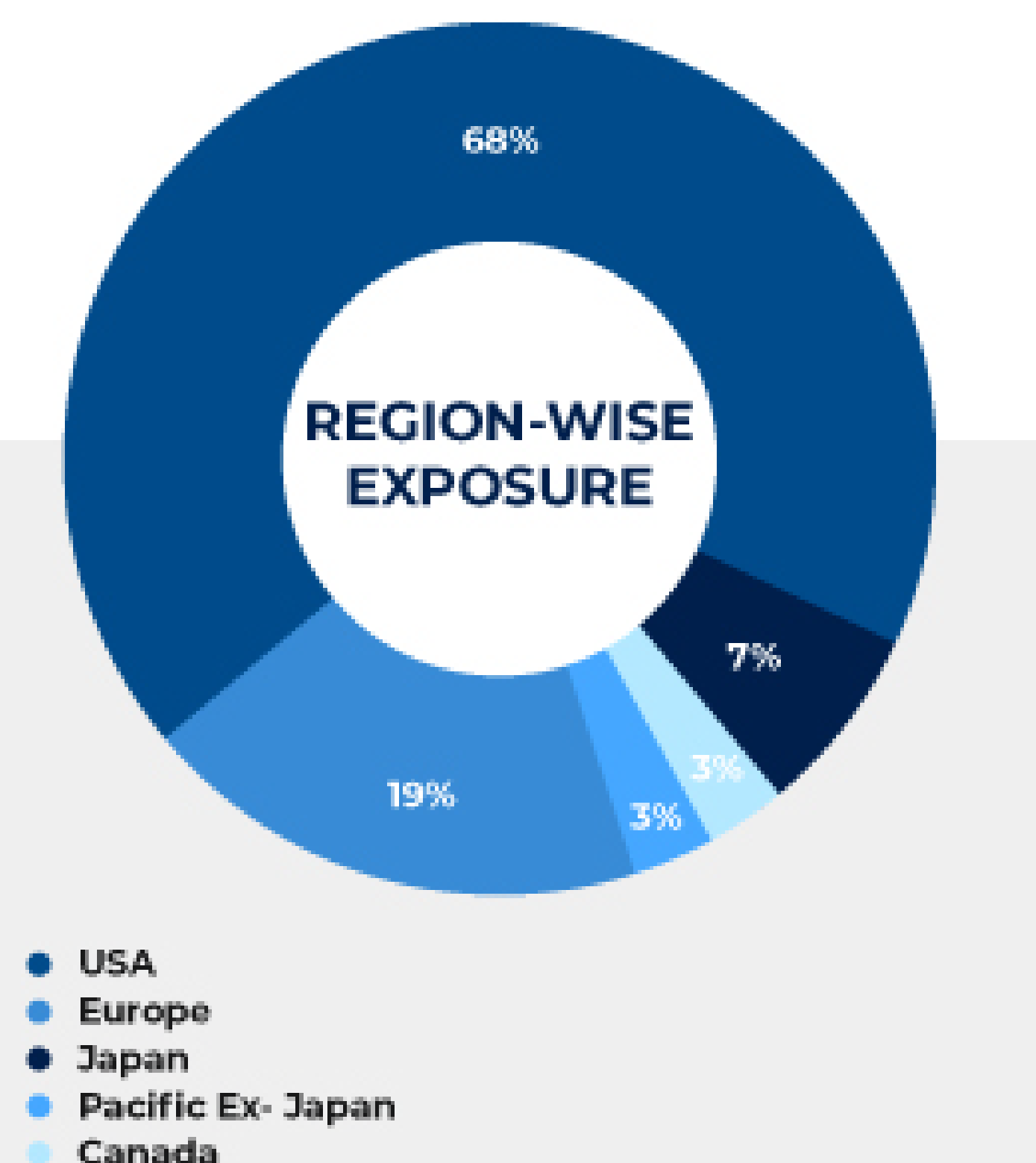
~50%
of the World
Market Cap

Countries forming part of MSCI World index cover ~ 56% of Global GDP, out of which USA accounts for 24.8%, Europe 20.6%, Japan 6.0%, Pacific Ex-Japan 2.7 and Canada 1.9%.

Source : MSCI World Index (USD) | msci.com. Data as on July 30, 2021

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MSCI World Index – Region Exposure, Revenue Split & Sector Exposure



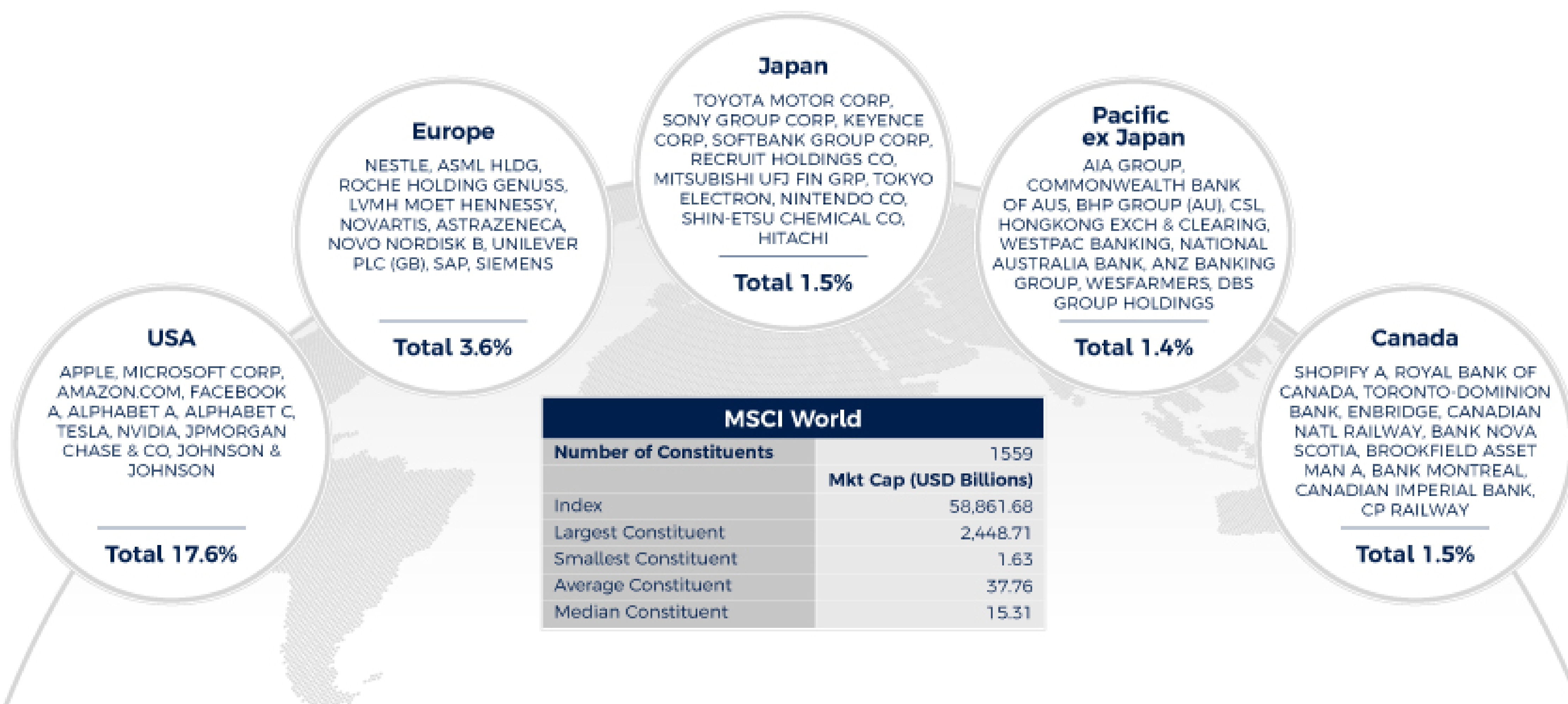
Source : MSCI World Index (USD) | msci.com. Data as on July 30, 2021

North America includes USA and Canada, Pacific Region includes Japan and Pacific Ex- Japan.

*Revenues are much more diversified as compared to the weight of respective regions in MSCI World Index. Revenues of companies are classified across geographies irrespective of where the company is listed. For e.g X company might be listed in United States (and thereby be part of US in MSCI World Index) but generates revenues from across the world. Data as on October 2020.

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MSCI World Index – Top 10 constituents across regions



Source : MSCI World Index (USD) | msci.com. Data as on July 30, 2021

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MSCI World Index captures 40 out of top 50 most Innovative Companies

USA			
Stock Name	Sector	Stock Name	Sector
Alphabet	Communication Services	Abbott labs	Healthcare
Comcast		Johnson & Johnson	
Disney		Merck & Co.	
Facebook		Moderna	
Amazon	Consumer Discretionary	Pfizer	Information Technology
Apple		Cisco	
Ebay		Dell	
GE		HP	
Nike		IBM	
Procter & Gamble		Microsoft	
Tesla		Oracle	
Coca-Cola	Consumer Staples	Salesforce	
Pespico			
Target			
Walmart			

Stock Name	Sector	Country
Astrazeneca	Healthcare	UNITED KINGDOM
Novartis	Healthcare	SWITZERLAND
Roche		
Inditex	Consumer Discretionary	SPAIN
Philips	Consumer Discretionary	NETHERLANDS
Fast Retailing	Consumer Discretionary	JAPAN
Mitsubishi		
Sony		
Toyota		
Adidas	Consumer Discretionary	GERMANY
Bayer	Healthcare	
SAP	Information Technolgy	
Siemens		

Source : The Most Innovative Companies 2021. The serial Innovation Imperative study, Boston Consulting Group. Selected among over 2500 companies

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Why Invest Beyond Domestic Frontiers?

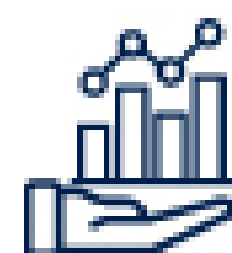


Reasons to go global



1

Geo diversify
across economies
and markets



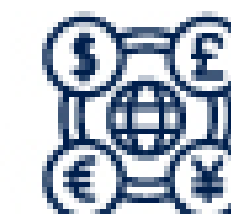
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Benefit from
global growth
opportunities



3

Low Correlation
across markets
to manage risk



4

Hedge against
Currency
Depreciation



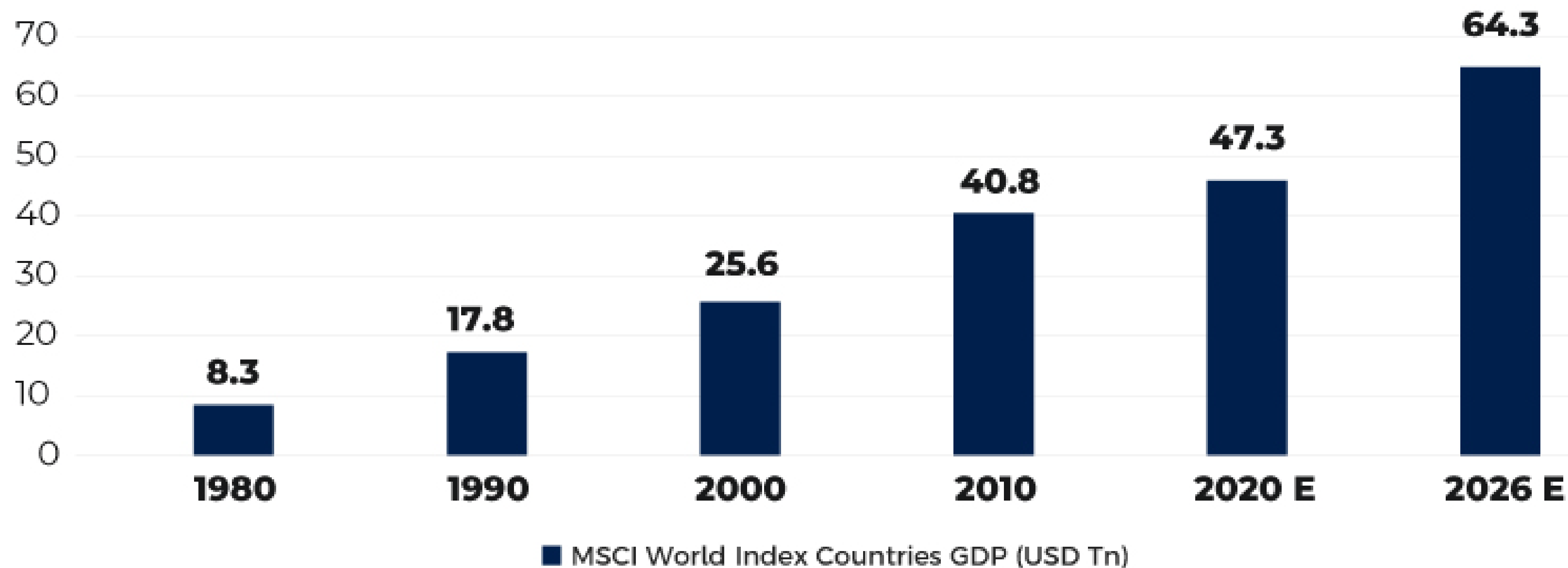
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Exclusive
Global themes



GDP Growth of countries forming part of MSCI World Index

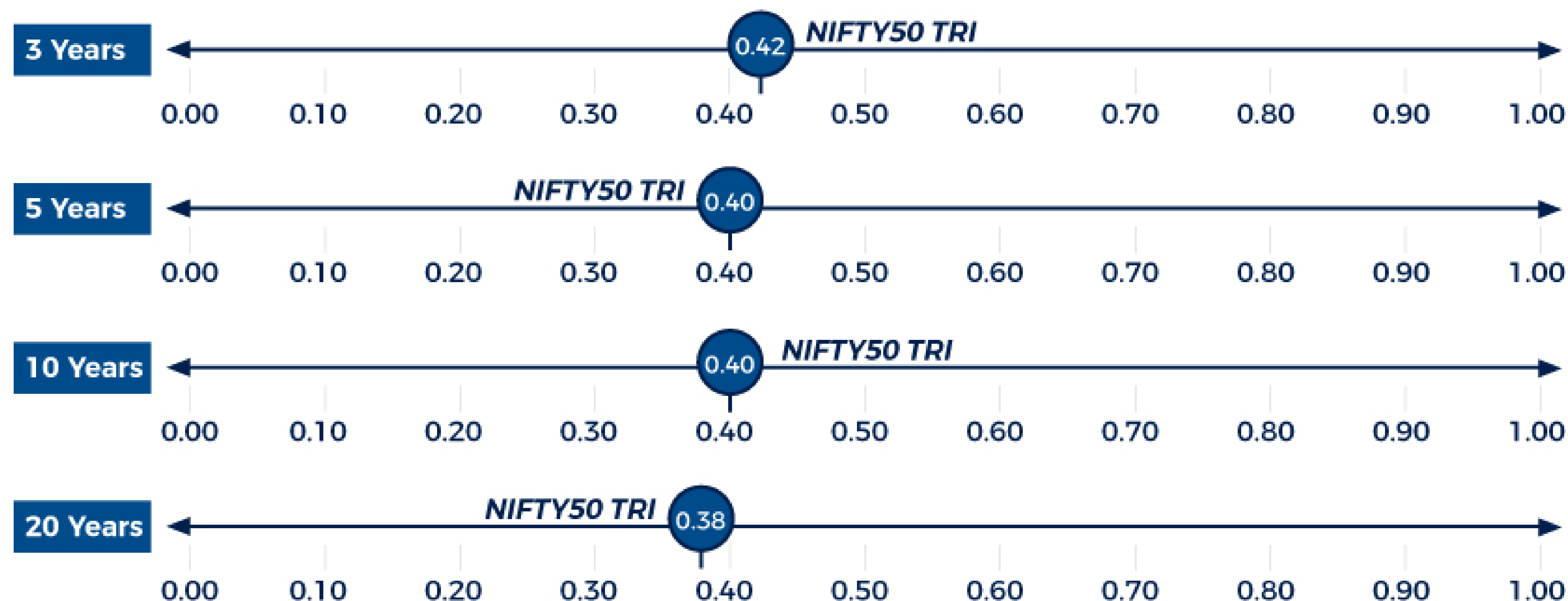
MSCI World Index Countries GDP (USD Tn)



Source : IMF . Data as on July 30, 2021.

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MSCI World Index : Low Correlation with Domestic Markets



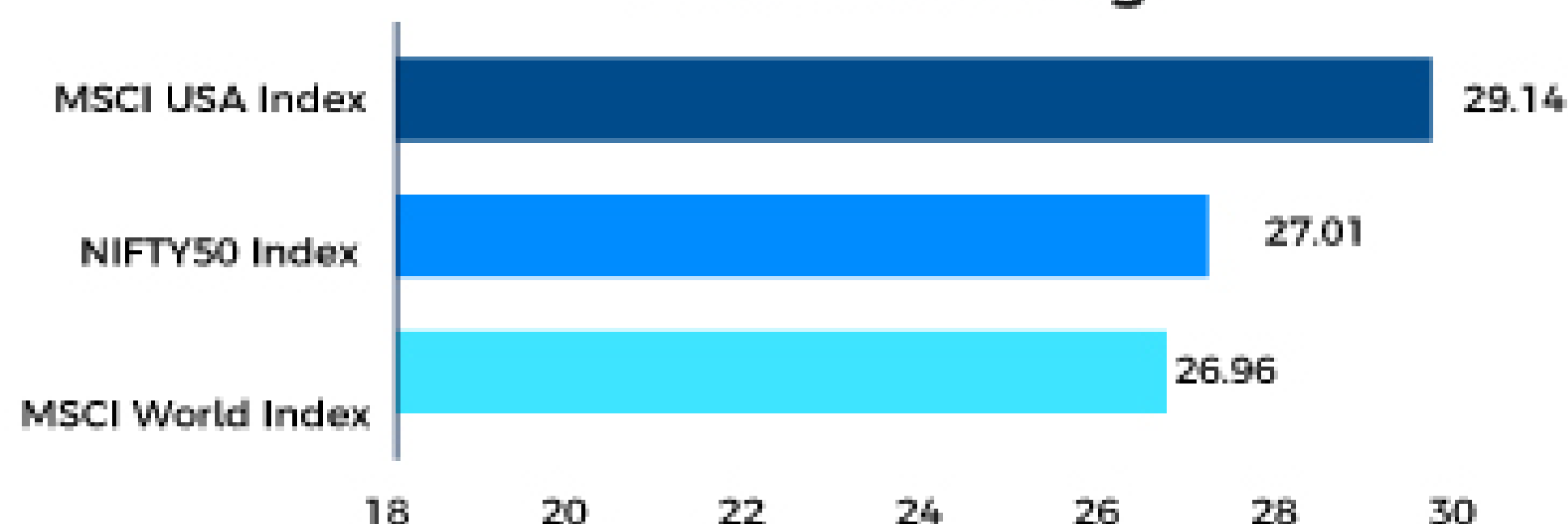
Source : Morningstar, Based on Daily Rolling Net Returns of MSCI World Index USD and NIFTY50 TRI INR. Data as on July 30, 2021.

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Current Valuations

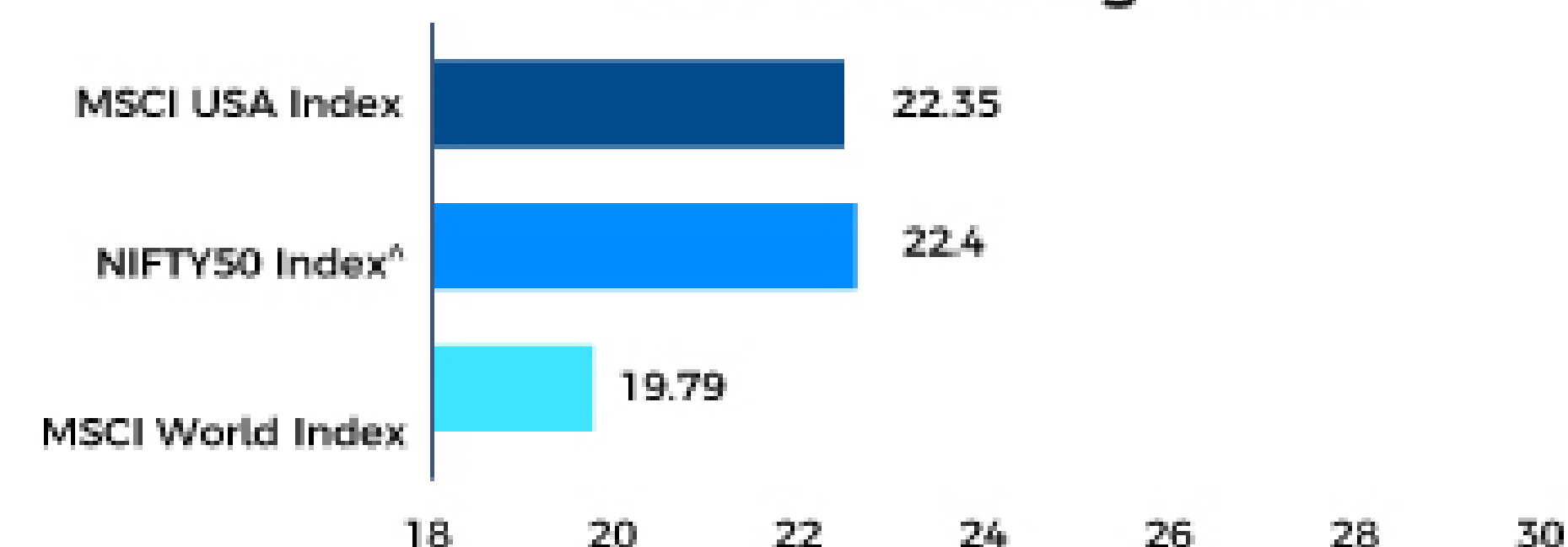
01

Price to Earning



02

Price to Earning - Fwd



03

Price to Book Value



04

ROE[®]



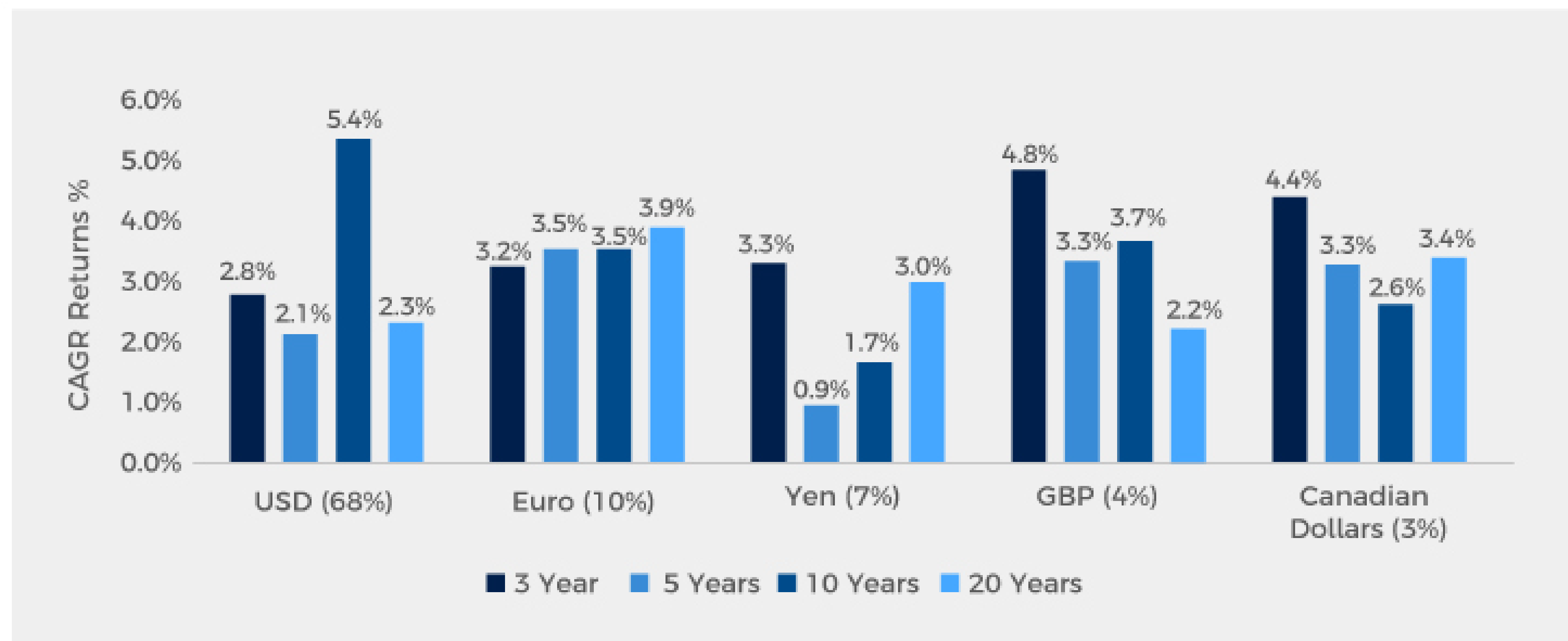
Source : www.msci.com, [^]Kotak Institutional Equities estimates FY 22, NSE, Bloomberg. Data as on July 30, 2021. Price to Earning are based on 12 months trailing

[®]ROE as on 31st August, 2021.

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Hedge against Currency Depreciation with Global Exposure



Note : 5 currencies shown above forms - 92% of total exposure in MSCI world Index

Source : Bloomberg(INR Prices). Data as on July 30, 2021.

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Calendar Year Returns : MSCI World Index and NIFTY50 Index

Calendar Year	MSCI World NR USD	NIFTY50 TRI USD
2001	-16.8	-17.8
2002	-19.9	5.9
2003	33.1	85.6
2004	14.7	18.6
2005	9.5	33.9
2006	20.1	44.3
2007	9.0	76.1
2008	-40.7	-60.6
2009	30.0	85.9
2010	11.8	24.1
2011	-5.5	-35.8
2012	15.8	25.5
2013	26.7	-4.3
2014	4.9	30.2
2015	-0.9	-7.5
2016	7.5	1.8
2017	22.4	38.5
2018	-8.7	-4.3
2019	27.7	11.0
2020	15.9	13.5
2021 YTD	15.1	11.7

Source : Morningstar, YTD Returns as on July 30,2021.
 NR - Net Returns adjusted to withholding taxes.

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MSCI World Index Vs NIFTY 50 TRI : Performance & Risk Metrics

MSCI World Index (NR USD) has lower volatility than NIFTY 50 (TRI USD) across times frames.

Period	CAGR Returns		Annualised Standard Deviation		Risk Adjusted Returns	
	MSCI World NR USD	NIFTY50 TRI USD	MSCI World NR USD	NIFTY50 TRI USD	MSCI World NR USD	NIFTY50 TRI USD
1 Year	35.1%	45.0%	12.8%	18.4%	2.75	2.45
3 Years	14.5%	9.9%	19.2%	24.7%	0.76	0.40
5 Years	14.3%	11.8%	15.7%	20.8%	0.91	0.57
7 Years	10.7%	8.8%	15.1%	20.1%	0.71	0.44
10 Years	11.0%	6.8%	15.1%	21.2%	0.73	0.32
15 Years	7.9%	9.2%	17.5%	26.1%	0.45	0.35
20 Years	7.4%	13.4%	16.7%	25.5%	0.45	0.53

Source : Morningstar, Data as on July 30,2021. Risk Adjusted Returns = Returns/Annualised Volatility

MSCI World Index - Rolling Returns Analysis[^]

Particulars	1 Year	3 Years	5 Years*	10 Years
Average Returns %	10.5%	10.3%	10.1%	10.3%
Median Returns %	11.9%	12.1%	10.4%	10.1%
Minimum Returns %	-36.2%	-13.1%	-4.1%	1.9%
Standard Deviation	15.8%	8.7%	6.3%	3.5%
Number of observations	5110	4587	4065	2760
Positive Observations	4138	3806	3954	2760
Percentage of Positive Returns	81%	83%	97%	100%

Based on daily Rolling Returns of MSCI World Index NR-INR for the period Jan 01, 2001 to July 30, 2021. For the period considered there are 5110 1 year returns periods, similarly the number of observations has been obtained for other investment horizons

[^]Net Returns adjusted to withholding taxes. * * The negative returns instances for 5 years period was on account of Global Financial crisis

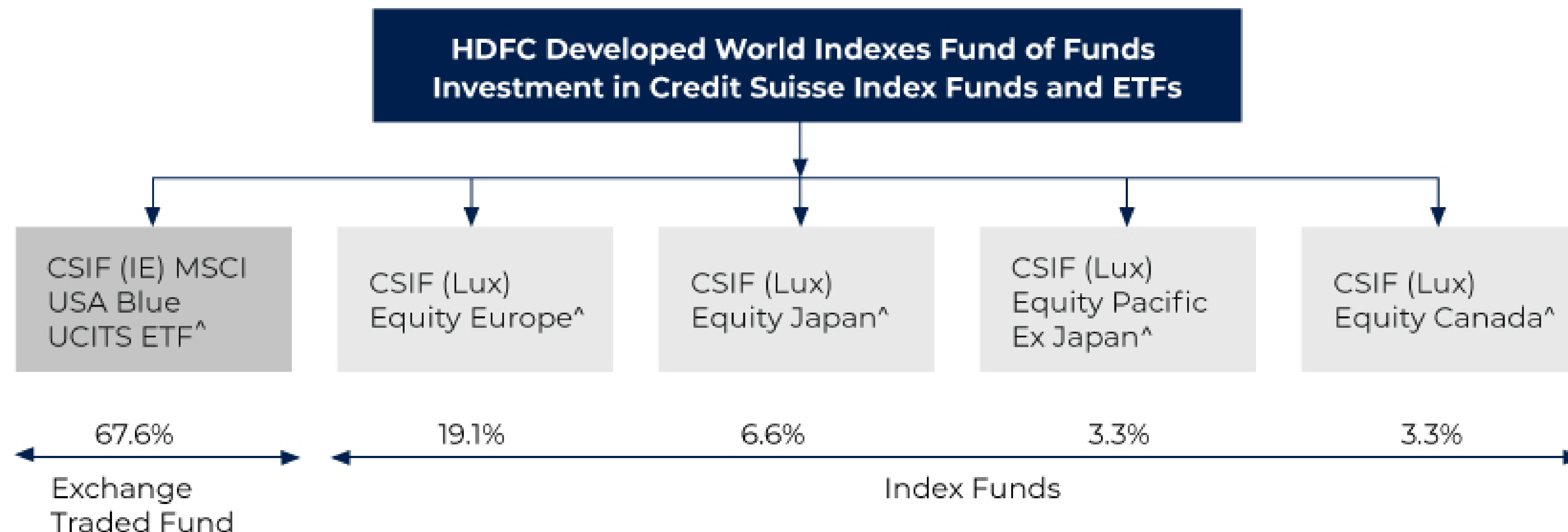
Source : Morningstar, HDFC AMC internal calculation.

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Presenting **HDFC Developed World Indexes Fund of Funds**

HDFC Developed World Indexes Fund of Funds – Fund Structure



- ✦ For the US, the Irish ETF route is preferable as Irish ETFs benefit from a halved tax rate for US withholding tax on income.

Source : MSCI World Index (USD) | msci.com. Data as on July 30, 2021

^The funds described herein are indexed to an MSCI Index

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✦ ✦ ✦

3T Framework - Optimal Fund Structure to Access Developed Markets



Timing : Fund structured to manage tracking error, arising due different time zones across regions



Taxation : Withholding tax efficiency with relief at source and reclaims based on double taxation treaties (DTT)

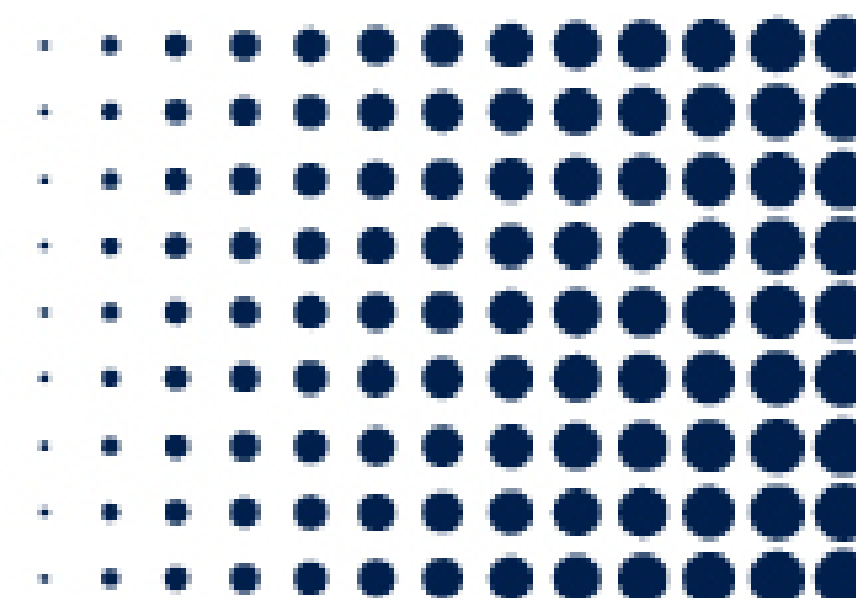


Transaction Cost : CS Index Funds / ETF endeavor to minimise transaction cost with region wise rebalancing

Further CS Index Funds endeavor for value added replication – chasing every basis point of performance through corporate actions, index changes and tax efficiencies

Investment Universe of Investing Funds

Scheme	Benchmark	No. of constituents	Index Market Cap (in bn \$)
CSIF IE MSCI USA Blue UCITS ETF	MSCI USA Index	625	39,847
CSIF (Lux) Equity Europe	MSCI Europe Index	432	11,139
CSIF (Lux) Equity Japan	MSCI Japan Index	272	3,879
CSIF (Lux) Equity Pacific ex Japan	MSCI Pacific ex Japan Index	127	1,963
CSIF (Lux) Equity Canada	MSCI Canada Index	91	1,927



Exposure to 1500+ constituents that cover ~ 85% of the free float –adjusted Market Cap of the respective geography

Source : MSCI World Index (USD) | msci.com. Data as on July 30, 2021

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About - Credit Suisse Asset Management

510
AuM in USD bn

~440
investment funds

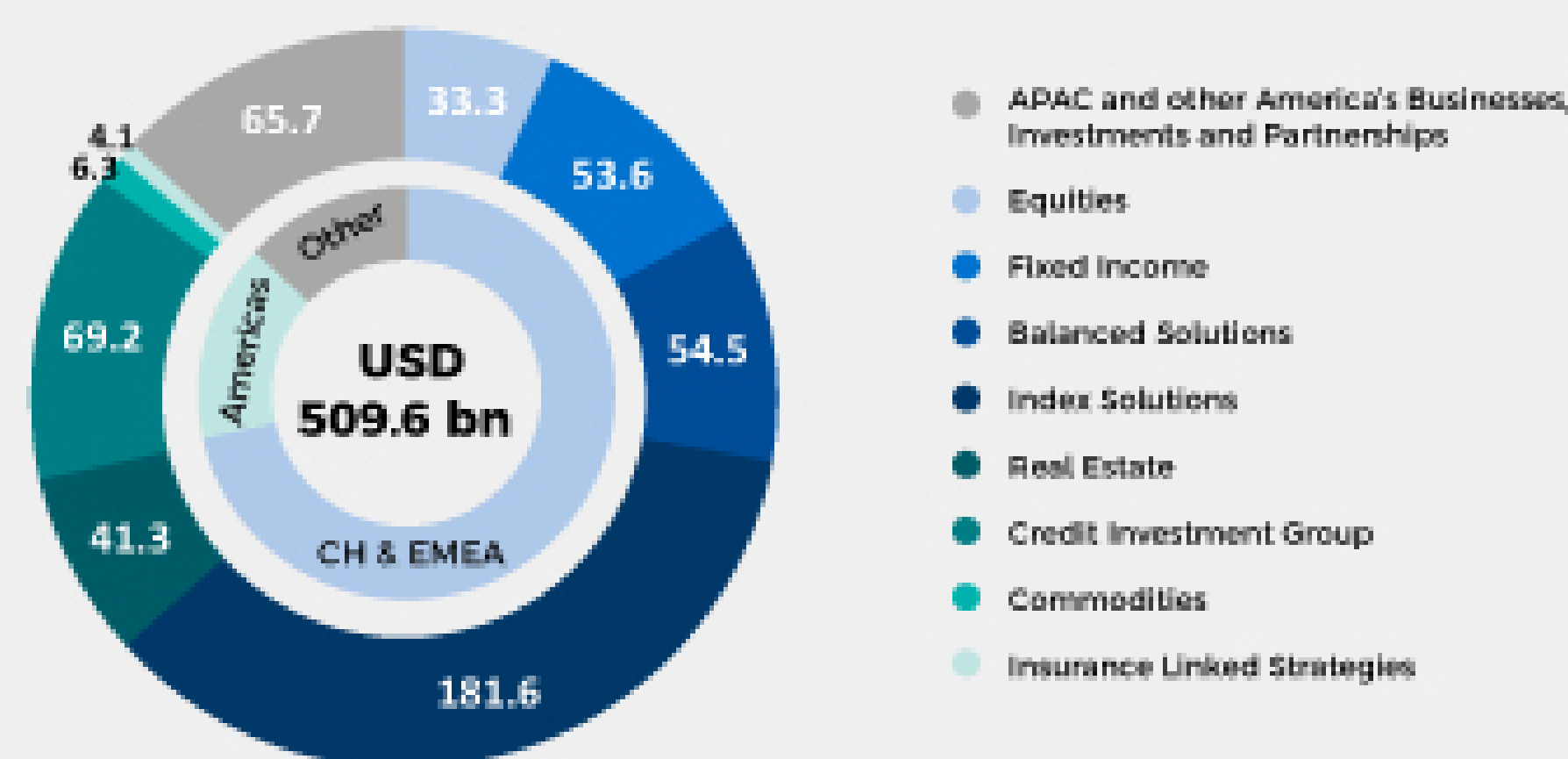
~2,370
mandates

~1,371
employees

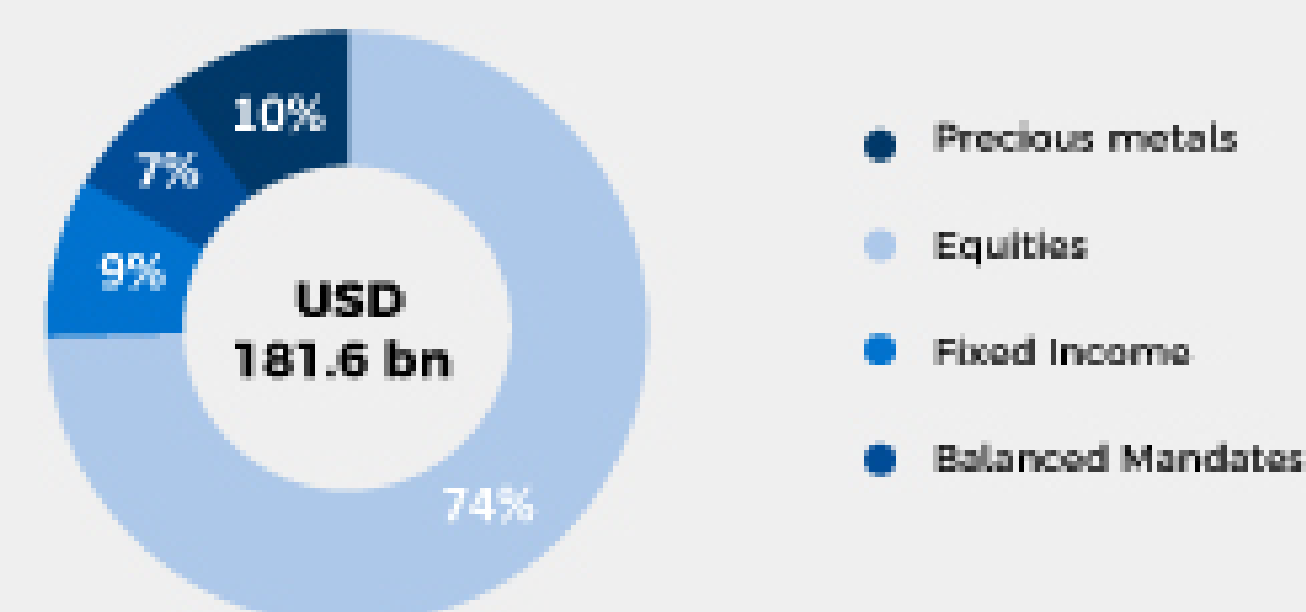


5 Investment hubs around the globe – **New York, Zurich, Milan, Hong Kong & Singapore**

Global assets under management (AuM) by business



Index Solutions - Assets under management



Key fact



More than 25 years of experience



42 investment professionals

CH- Switzerland, . EMEA - Europe, Middle East and Africa

Data as of June 30, 2021. CHF to USD rate as of 30th June 2021 is 1.08

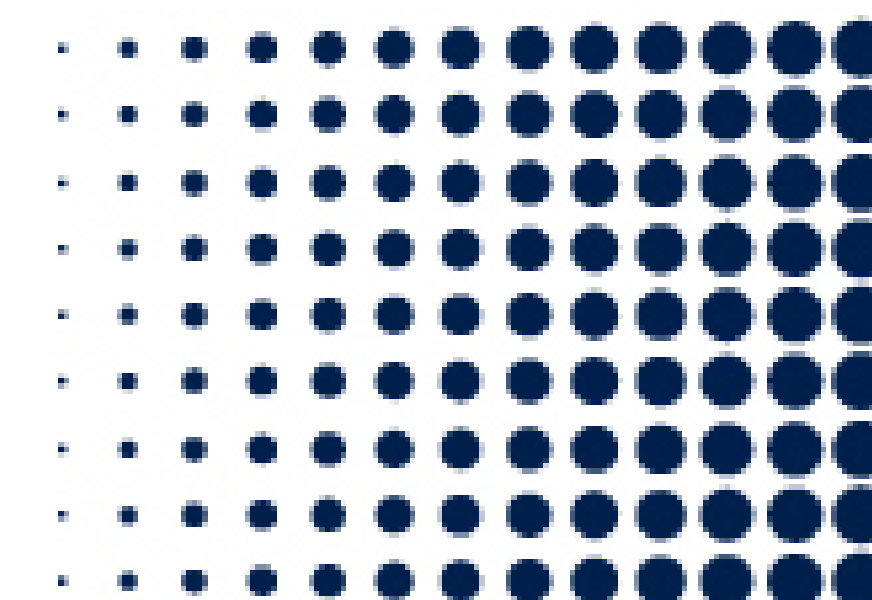
Source: Credit Suisse

Recap - HDFC Developed World Indexes Fund of Funds

Through its underlying schemes, it will:

- ✦ Access 5 Regions and 23 countries
- ✦ Diversify to mitigate single country risk
- ✦ Participate in the Developed Markets growth
- ✦ Invest in 1500+ global heavy weights
- ✦ Capture 50% of global market cap and 56% of Global GDP
- ✦ Hedge against Currency depreciation

Happy Investing!



Fund Facts

Type of Scheme	An open ended Fund of Funds scheme investing in units/shares of overseas Index Funds and/or ETFs which will in aggregate track the MSCI World Index	
Investment Objective	To provide long-term capital appreciation by passively investing in units/shares of overseas Index Funds and/or ETFs which will in aggregate closely correspond to the MSCI World Index, subject to tracking errors. There is no assurance that the investment objective of the scheme will be achieved.	
Fund Manager	Mr Krishan Kumar Daga	
Plans	Direct Plan Regular Plan	
Options	Under Each Plan: Growth Option Only	
Minimum Application Amount (Under Each Plan/ Option)	During NFO - Purchase: Rs 5,000 and any amount thereafter During continuous offer period (after scheme re-opens for repurchase and sale): Purchase: Rs. 5,000/- and any amount thereafter Additional Purchase: Rs 1,000 and any amount thereafter	
Load Structure	Entry Load	Not Applicable.
	Exit Load	<ul style="list-style-type: none"> ✚ Exit Load of 1.00% is payable if units are redeemed / switched out within 30 days from the date of allotment. ✚ No Exit Load is payable if units are redeemed / switched out after 30 days from the date of allotment. <p>In case of Systematic Transactions such as SIP, GSIP, STP, Flex STP, Flex SIP, Swing STP, Exit Load, if any, prevailing on the date of registration / enrolment shall be levied.</p>
Benchmark Index	MSCI World Index (Due to time zone difference, benchmark performance will be calculated with a day's lag)	

Note: Investors in the Scheme shall bear the recurring expenses of the Scheme in addition to the expenses of other schemes in which Fund of Funds scheme makes investment (subject to regulatory limits).

Asset Allocation

Under normal circumstance, the asset allocation of the scheme's portfolio will be as follows

Type of Instruments	Minimum Allocation (% of Total Assets)	Maximum Allocation (% of Total Assets)	Risk Profile
Units/Shares of Overseas Index Funds and/ or Exchange Traded Funds (ETFs) [#]	95	100	High
Debt Schemes*, Debt and Money Market Instruments, including Tri Party Repo [^] , Government Securities and Cash	0	5	Low to Medium

*Domestic Debt Schemes including Liquid & Overnight Schemes

[^]or similar instruments as may be permitted by RBI/SEBI

[#]The scheme will invest in Units/Shares of Index Funds and/or ETFs such that in aggregate they endeavour to track the MSCI World Index (The Benchmark Index).

Currently, the proposed Underlying Schemes viz. Overseas Index Funds/ETFs will be CSIF (IE) MSCI USA Blue UCITS ETF, CSIF (Lux) Equity Europe, CSIF (Lux) Equity Japan, CSIF (Lux) Equity Pacific ex Japan, CSIF (Lux) Equity Canada

Investors may refer to the prospectus of the underlying schemes for more details on them.

For complete details, please refer to Scheme Information Document

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Disclaimer & Risk Factors

This presentation dated 7th September, 2021 has been prepared by HDFC Asset Management Company Limited (HDFC AMC) based on internal data, publicly available information and other sources believed to be reliable. Any calculations made are approximations, meant as guidelines only, which you must confirm before relying on them. The information contained in this document is for general purposes only and not an investment advice. The document is given in summary form and does not purport to be complete. The document does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this document. The information/ data herein alone are not sufficient and should not be used for the development or implementation of an investment strategy. The statements contained herein are based on our current views and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. The information herein is based on the assumption that disruption due to Covid-19, if any, will be limited in FY22. However, if impact of Covid-19 is significant in FY22 also, various scenarios presented in this slide may not hold good. Past performance may or may not be sustained in future. Stocks/Sectors referred in the presentation are illustrative and should not be construed as an investment advice or a research report or a recommendation by HDFC Mutual Fund / AMC. The Fund may or may not have any present or future positions in these sectors. HDFC Mutual Fund/AMC is not guaranteeing / offering / communicating any indicative yield on investments made in the scheme(s). The data/statistics are given to explain general market trends in the securities market, it should not be construed as any research report/research recommendation. Neither HDFC AMC and HDFC Mutual Fund nor any person connected with them, accepts any liability arising from the use of this document. The recipient(s) before acting on any information herein should make his/her/their own investigation and seek appropriate professional advice and shall alone be fully responsible / liable for any decision taken on the basis of information contained herein. In view of individual nature of tax consequences, each investor is advised to consult his / her own professional tax advisor.

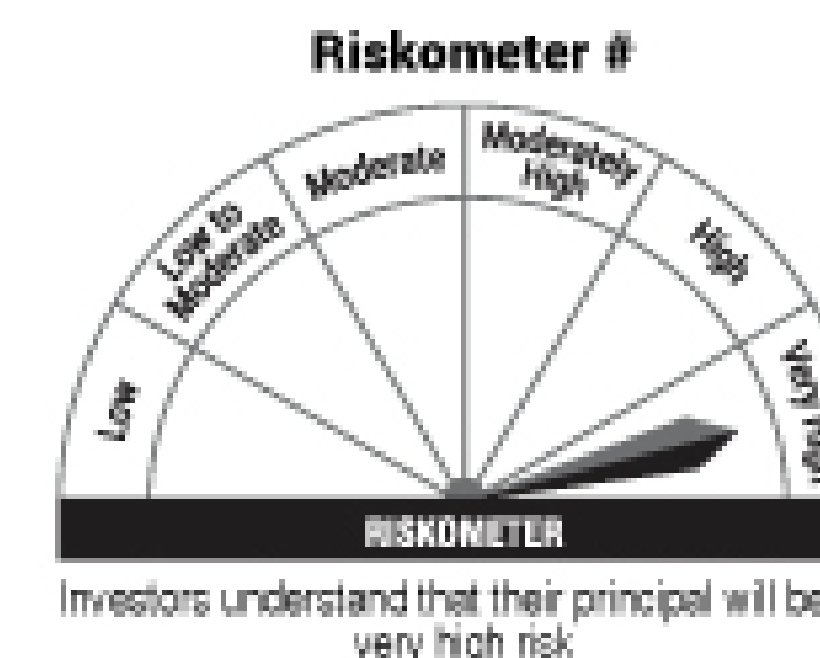
MSCI Disclaimer

The Fund is not sponsored, endorsed, sold or promoted by MSCI. All MSCI indexes are owned by MSCI and provided as-is without any warranties. MSCI assumes no liability for or in connection with the MSCI indexes. Please see complete MSCI disclaimer in <https://www.hdfcfund.com/our-products/hdfc-developed-world-indexes-fund-funds>

HDFC Developed World Indexes Fund of Funds (An open ended Fund of Funds scheme investing in units/shares of Overseas Index Funds and/or ETFs which will in aggregate track the MSCI World Index) is suitable for investors who are seeking*

- Returns that closely correspond to the performance of the MSCI World Index, subject to tracking error, over long term
- Investment in Units/Shares of Overseas equity Index Funds and/or ETFs.

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



The product labelling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

For latest Riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. www.hdfcfund.com

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

Annexure I

Criteria	Developed Markets
Economic Development	
Sustainability of economic development	Country GNI per capita 25% above the World Bank high income threshold* for 3 consecutive years
Size and Liquidity Requirements	
Company size (full market cap)**	USD 4,685 mm
Security size (float market cap)**	USD 2,343 mm
Security liquidity	20% ATVR
Market Accessibility Criteria	
Openness to foreign ownership	Very High
Ease of capital inflows/outflows	Very High
Efficiency of operational framework	Very High
Availability of investment instrument	Unrestricted
Stability of institutional framework	Very High

*High Income threshold : 2019 GNI per capita of USD 12,536 (World Bank, Atlas Method)

** Minimum in use for the May 2021 Semi-Annual Index Review, updated on a semi-annual basis

ATVR – Annual Traded Value Ratio

Source : msci.com. Data as on July 30, 2021