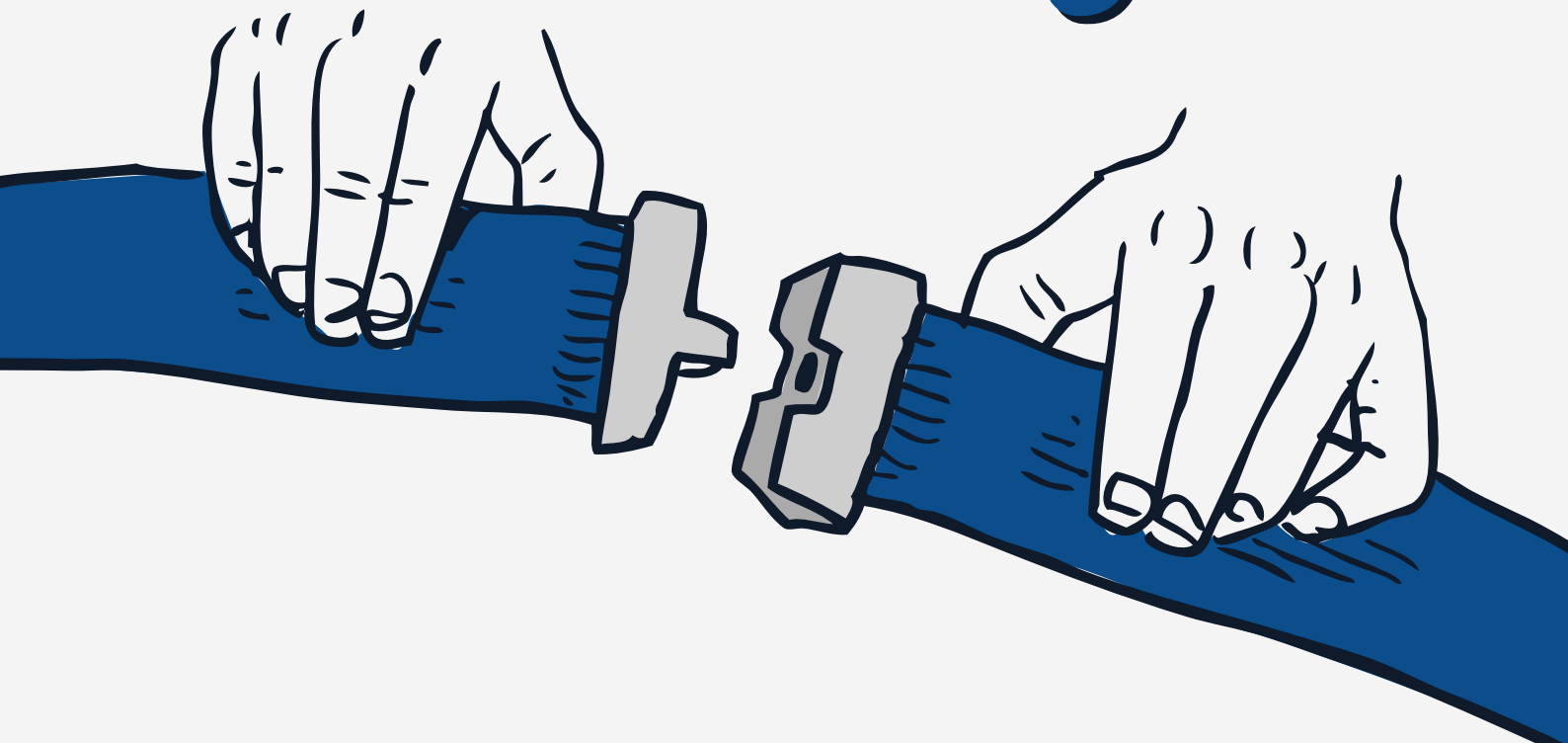


# Monthly Musings

November 2022

## Forging a "Bond" with Debt Investing



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## Message from Navneet



2022 enters its final lap as the year slowly draws to a close. With this, we will be in that period of the year when people go on family vacations and travel to places – near and far. Most family trips, whether they are to nearby destinations or to some other part of the world, often have people taking a boat ride or a ferry or a cruise or some sort of an aquatic journey. There is something peculiar though which one can observe during these trips – It's interesting how no one cares about the availability of life jackets or other safety equipments when the skies are clear and the journey is smooth. However, the moment water gets choppy/rough, people anxiously start looking around to check availability of life jackets on the boat.

Something similar happens in the world of investing too. During good times, investors rarely bother about stability and downside protection for their portfolio. It's only when markets turn choppy that investors tend to pay heed to a stability lending asset class like Debt. How often have we heard of that friend or relative who invested money for his short-term financial goal in equities, only to end up short of his financial goal once equity markets turned sour.

While equities have potential to create wealth, debt could provide much needed stability to the portfolio during testing times. Exposure to Debt as an asset class could be referred to that life jacket that your portfolio needs. Moreover, when the investment horizon is relatively short, investing in debt is the way to go.

Debt Mutual Funds, with a wide choice of funds across duration buckets and credit profile, could be a solution for investors looking to invest in Debt. With bond yields at attractive levels across the yield curve, this edition of Monthly Musings covers various facets of Debt Investing and Debt Mutual Funds. Hope it helps you to forge a strong 'bond' with Debt investing.

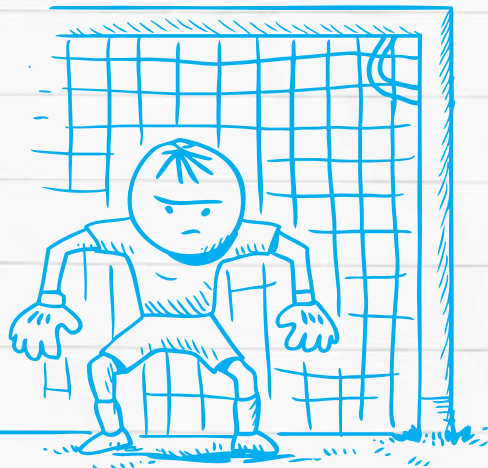
Speaking of Debt Funds, HDFC MF offers a wide range of actively managed funds catering to varied investor needs. Recently, we also launched our inaugural Target Maturity Funds – the HDFC Nifty G-Sec Dec 2026 Index Fund (~4.2 years maturity) and HDFC Nifty G-Sec Jul 2031 Index Fund (~8.8 years maturity). These are Passively managed funds, with a buy and hold strategy, suitable for investors who have a matching investment horizon. In the current environment, where yields are elevated, investors could use these funds to 'lock in' at higher yields, provided they stay invested till maturity. Lastly, on the equity side, our thematic offering viz. HDFC Business Cycle Fund completed a successful NFO recently. We are grateful to you for your continued support and look forward to the same in the years to come.

Happy Reading !!!



## Cover Story

# Forging a "Bond" with Debt Mutual Funds



Over the years, the game of football has captured the attention of masses across the globe. One thing which sets the game apart from others is the simplicity of the game's objective, which is to score more goals than the opponent. Understandably, the focus is on goals and consequently, on strikers/attackers. However, an important aspect of the game goes unnoticed at times viz. Defence. It's hard to think of teams which go a long way without a line-up of strong defenders. After all, scoring goals is not going to suffice, if your weak defence ends up leaking even more goals at the other end. Likewise, in the world of investing, investors tend to fixate about returns. However, stability of the portfolio and downside protection are often overlooked. In investing, debt as an asset class could lend that much needed stability to your portfolio and complement the wealth creation potential of equities.

### So how can one invest in Debt?

As an investor, there are few ways to have exposure to debt in your portfolio.

- ✓ One can invest directly in debt instruments like Government Bonds, Treasury Bills, Corporate Bonds trading on various platforms.
- ✓ One can also open a fixed deposit with a bank.
- ✓ Alternately, one can invest in various Debt Mutual Funds as per one's risk appetite and investment horizon.

## What are Debt Mutual Funds and why one should consider them?

A debt fund is a mutual fund scheme that invests in fixed income instruments, such as corporate bonds, government bonds, money market instruments etc. that offer capital appreciation. Investing in debt via mutual fund route has the following advantages:

### Lower minimum investment:

Smaller investors may find it difficult to invest directly in bond market owing to larger minimum ticket size required for certain types of debt securities. Debt mutual funds provide investors access to sovereign and corporate bond market with low minimum ticket size.

### Diversification:

Investors could invest in various debt instruments across various issuers and tenures by investing in debt mutual funds.

### Wide range of offerings:

Varied range of funds across categories provides investors viable investment avenue for different financial goals/time horizon.

### Liquidity:

Investors can redeem their investment in open-ended debt mutual funds at any point in time (at prevailing Net Asset Value), subject to applicable exit load – something which is easier said than done in direct investment owing to low liquidity in bond markets

### Tax Efficiency:

An investment in debt mutual fund attracts tax liability only on selling/redeeming from the fund. On the contrary, interest from bonds/fixed deposits gets added to your income as and when it accrues. Further, if an investor holds investment in debt mutual funds for more than 3 years, capital gains are taxed at 20% after indexation\*, unlike investment in fixed deposits where interest is taxed at slab rates. Thus, for investors in higher slab brackets, investment in debt mutual fund offers substantial tax efficiency.

\*as per current provisions of Income Tax, 1961

## Different Debt Mutual Funds for different investment horizons

Investors could choose from a wide variety of debt mutual fund schemes as per their investment horizon and risk appetite. Below is the list of few debt schemes by HDFC Mutual Fund which investors can consider as per their risk appetite and investment horizon

Fund Name	Suggested Investment Horizon	Description
HDFC Overnight Fund	Up to 7 days	Aims to generate returns by investing in debt and money market instruments with overnight maturity
HDFC Liquid Fund	7 days to 3 months	Aims to invest in debt and money market instruments with residual maturity not exceeding 91 days
HDFC Ultra Short Term Fund	2 to 6 months	Maintains a Macaulay Duration of the portfolio between 3 to 6 months
HDFC Low Duration Fund	3 to 12 months	Maintains a Macaulay Duration of the portfolio between 6 to 12 months
HDFC Money Market Fund	3 to 12 months	Invests in Money Market Instruments having maturity up to 1 year
HDFC Floating Rate Debt Fund	3 to 12 months	Portfolio comprising substantially of floating rate debt, fixed rate debt instruments swapped for floating rate returns and money market instruments
HDFC Short Term Debt Fund	More than 12 months	Aims to maintain Macaulay Duration between 1 and 3 years
HDFC Banking & PSU Debt Fund	More than 12 months	Invests predominantly in Debt Securities issued by Scheduled Commercial Banks, PSUs, Public Financial Institutions, Municipal Corporations and such other bodies
HDFC Medium Term Debt Fund	More than 12 months	Maintains a Macaulay Duration of the portfolio between 3 to 4 years
HDFC Corporate Bond Fund	More than 12 months	Invests predominantly in corporate bonds rated AA+ and above
HDFC Gilt Fund	More than 18 months	Invests predominantly in Government Securities across maturity
HDFC Credit Risk Debt Fund	More than 18 months	Invests predominantly in AA and below rated bonds (excluding AA+ rated corporate bonds)



## Other interesting offerings

Target Maturity Funds (TMFs) are a type of passive debt funds that replicate a pre-defined index and have a fixed maturity date. These funds follow a buy and hold strategy. Since the bonds in the portfolio are held till maturity, movement in yields in the intervening period does not impact portfolio returns. Thus, Investors can lock-in at current yields by investing in TMFs, provided their investment horizon matches the target maturity date.

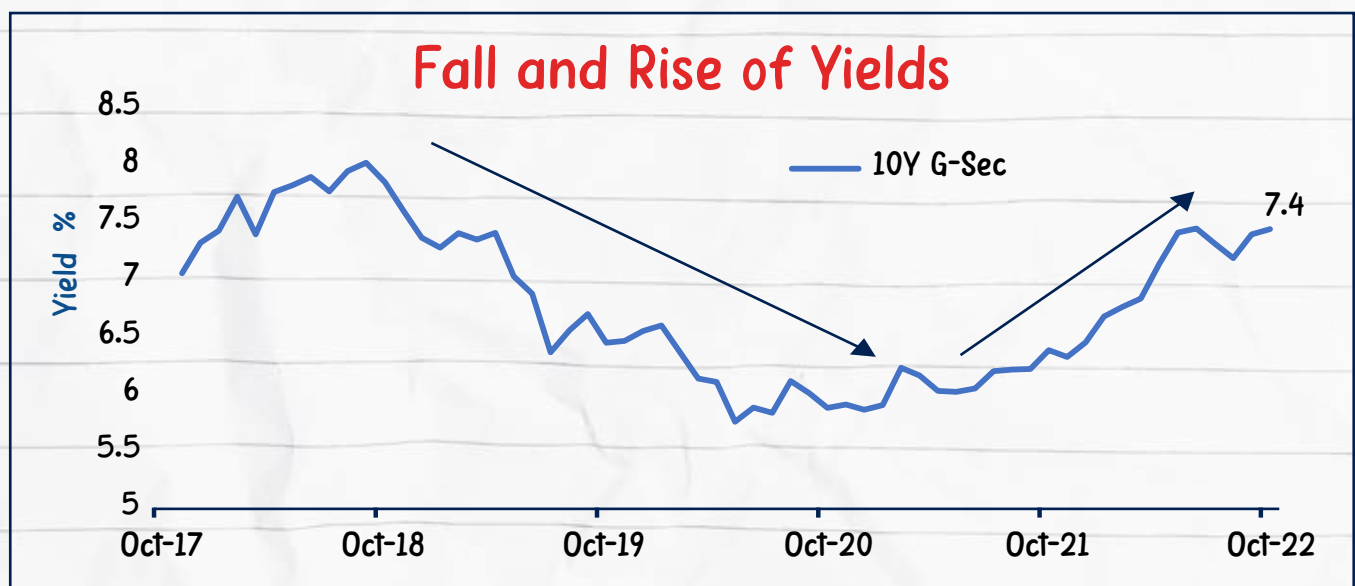
Fixed Maturity Plans (FMPs) invest in debt securities maturing on or before the scheme's maturity date, which could vary from few months to few years. Unlike TMFs though, FMPs are close-ended in nature.

Suitability: TMFs and FMPs are suitable for investors whose investment horizon matches the maturity date of the schemes, especially in an environment of relatively elevated bond yields.

## Why Debt Funds now?

While debt funds are an evergreen investment avenue and need to be part of every investor's asset allocation at all points in time, the current environment also creates a favourable case for investing in debt.

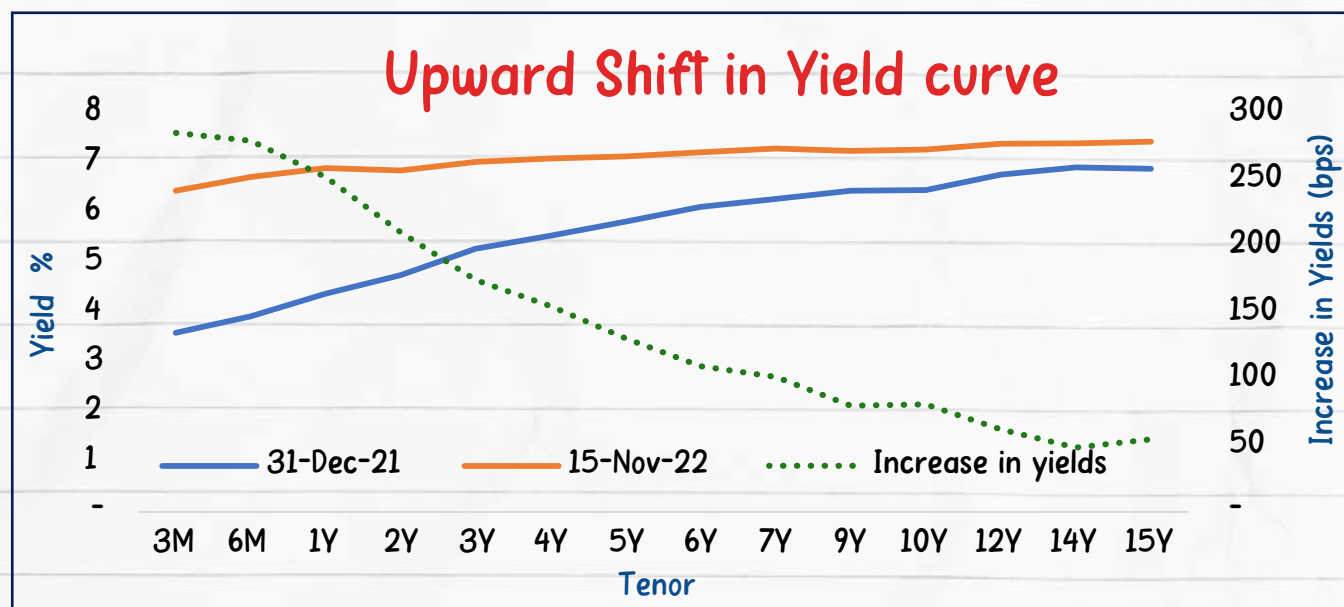
As you would be aware, last couple of years have been characterized by benign interest rate environment as central banks around the world maintained dovish monetary policies to stimulate growth in the wake of the pandemic.



Source: Bloomberg



However, the picture has changed dramatically over the past few months as persistent inflationary pressure has compelled central banks, including the RBI, to reverse their stance. Tightening monetary policy has resulted in rapid flattening of the yield curve, with yields at short and medium end of yield curve increasing more than the longer end.



Note: Increase in yields pertains to increase between 31-Dec-21 and 15-Nov-22  
 Source: Bloomberg

This has created an attractive investment opportunity to invest in debt mutual fund schemes, especially ones investing in short to medium end of the yield curve. A quick look at the table below shows how yields of debt schemes have skyrocketed this year creating a case for investment.

Scheme	YTM %	YTM %	YTM %	CYTD Yield Increase (Bps)	FYTD Yield Increase (Bps)	Modified Duration(Yrs) -18-Nov-2022
	31-Dec-21	31-Mar-22	18-Nov-22			
HDFC Liquid Fund	3.6	3.9	6.5	293	259	0.1
HDFC Ultra Short Term Fund	4.2	4.6	7.0	277	239	0.3
HDFC Money Market Fund	4.1	4.6	7.1	304	252	0.3
HDFC Low Duration Fund	4.8	5.1	7.3	249	214	0.8
HDFC Dynamic Debt Fund	5.5	5.7	7.3	182	167	2.3
HDFC Banking and PSU Debt Fund	5.5	5.4	7.2	176	182	1.5
HDFC Floating Rate Debt Fund	5.1	5.5	7.5	241	200	0.8
HDFC Short Term Debt Fund	5.3	5.6	7.5	213	189	1.8
HDFC Corporate Bond Fund	5.5	5.7	7.4	188	163	2.4
HDFC Medium Term Debt Fund	6.5	6.6	8.0	150	131	2.9
HDFC Credit Risk Debt Fund	6.6	7.1	8.5	189	144	2.0
HDFC Gilt Fund	6.0	6.1	7.1	109	106	3.2

## Common mistakes to avoid

### 1) Considering trailing returns of debt schemes instead of the prevailing YTM

- ❑ Investors compare the trailing returns of debt schemes and compare them with Interest rates of fixed deposits etc. while evaluating a debt investment. This could give a completely misleading picture. For instance, after a period of rise in yields like the one we have seen recently, short term returns of debt schemes are bound to look sub-optimal. Inverse relationship between bond prices and yields results in bond returns being adversely impacted during a period where yields rise.
- ❑ 1 Year return of HDFC Short Term Debt Fund as of 31st October 2022 was 2.85%. Comparing this number with a 1-year FD Interest Rate of 5.50% would give the impression that it is much more viable to invest in an FD, which may not necessarily be true.
- ❑ Here, comparing the YTM (Yield to Maturity) of the scheme, 7.46% in this case for HDFC Short Term Debt Fund (As of 18-Nov-22) with the Interest rate on the fixed deposit would show a more appropriate picture.



YTM shows the return on Scheme's portfolio, assuming it is held until maturity without any changes. Unlike FDs, Mutual fund returns are not assured. For complete performance details, refer page 21.

## 2) Ignoring interest rate risk or duration of the fund while comparing funds

- As mentioned above, bonds and consequently, debt funds deliver higher returns when interest rates fall and lower returns when interest rates rise. This impact of change in interest rates on bond prices and returns is known as interest rate risk.
- More importantly, bonds/ debt funds with higher duration have higher interest rate risk and vice versa. Simply put, a Liquid Fund will be significantly less susceptible to interest rate movements as compared to a Gilt Fund.
- A mistake investors commit while selecting debt funds is that they simply consider the YTM's of schemes across categories without paying much heed to the difference in duration of schemes. In fact, even within the same category, there is bound to be some difference in duration of 2 schemes, although within the prescribed regulatory limits.
- Investors should consider parameters like Average Maturity, Modified Duration etc. while evaluating funds.





### 3) Ignoring the Credit Profile of the Fund

- ❑ Credit Rating Agencies like CRISIL, ICRA etc. rate Debt instruments of various companies as per their financial strength, debt repayment capacity etc. with AAA being the highest long-term rating and D being the lowest. This effectively indicates the credit worthiness of these companies and their debt instruments. All other things being same, debt instruments with lower rating will have higher yields as compared to those with superior ratings, as the investor would have to be compensated for taking the extra risk of investing in lower rated instruments.
- ❑ At times, investors ignore the credit profile of debt schemes in their pursuit for higher yielding portfolios. This can be detrimental, especially during a period of economic downswing.
- ❑ More importantly, barring a few categories like Corporate Bond Funds, Credit Risk Funds etc., most other categories are largely defined by SEBI in terms of duration and not in terms of credit rating profile. Thus, even within the same category, there could be significant difference in credit quality of 2 schemes and consequently, their YTM's.
- ❑ Investors should carefully consider the credit profile of debt funds, their historical credit allocation and any mention of credit strategy in the Fund's Scheme Information Document (SID), presentations, brochures etc.



## 4) Not following horses for courses approach

- Debt investments lend stability to the portfolio and when it comes to debt mutual funds, investors have plethora of options across duration buckets and credit profiles.
- However, selecting the right fund as per one's financial goal is critical. Not every debt fund can be suitable for every financial goal.
- For instance, if one needs to park surplus cash for say 3 months, a Liquid Fund or an Ultra Short Duration Fund is likely to be suitable.
- Likewise, if the financial goal is couple of years down the line, investing in a Liquid Fund or Ultra Short Duration Fund may be sub optimal. Here one can add duration to the portfolio and invest in other products like Corporate Bond Fund, Banking & PSU Fund or even a Medium Duration Fund.

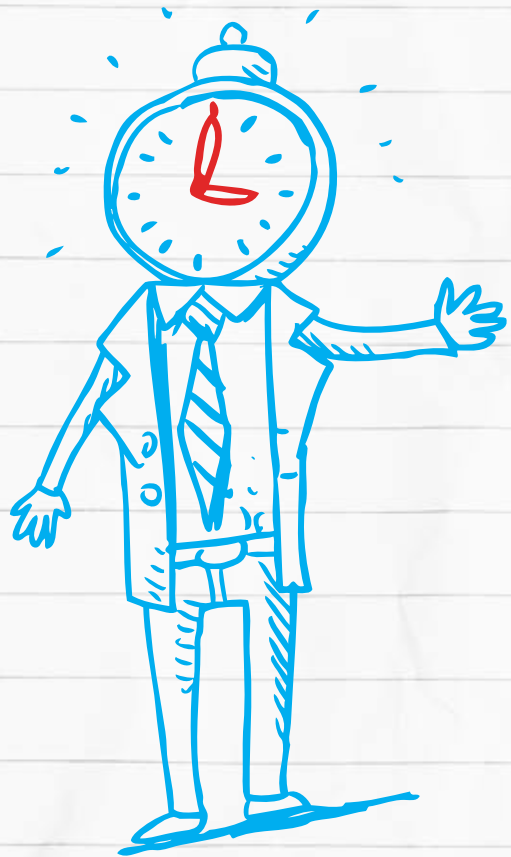
To conclude, investors should consider investing in debt funds to lend stability to their portfolio. This could help one to meet wide array of goals, from those in the immediate future to those relatively further down the line. Better understanding of these products and selecting them as per one's financial goals could help to forge a strong 'bond' with debt mutual funds for years to come.



## Jargon Dejargonised

# Macaulay Duration

Interest rate is one of the drivers of bonds value and duration measures the sensitivity of the price fluctuations to change in interest rates. 2 types of duration are: Macaulay duration and Modified Duration.



## What is Macaulay Duration?

As per SID and SEBI definition : Macaulay Duration (Duration) measures the price volatility of fixed income securities. It is the weighted average of the time to receive cash flows from bond. In simple terms, it tells us how much time it would take for the investor to recoup the price paid for the bond. The repayment includes periodic interest as well as principal repayments.

Macaulay duration is the economic balance point of group of various cash flows. To understand in a simpler way, consider a collection of 10 numbers as follows:

**2,1,4,2,2,3,5,3,1,2**

So, there are two 1s, four 2s, two 3s, one 4 and one 5.

The economic balance point is calculated as:

$(2*1 + 4*2 + 2*3 + 1*4 + 1*5)/10 = 2.5$ . It is the weighted average point of all the ten numbers.



## How is it measured?

The Macaulay duration is measured in units of years.

## How is it calculated and interpreted?

### Assumptions

Bond Face Value Rs.	1000
Maturity	3 years
Coupon	7%
Interest Rate	6%
Coupon Payment	Annually



Time period for each cash flow	Cash Flow	Discount factor (6%)	Present Value of Cash flow (2) * (3)	Weight of PV of cash flow	Weighted Average Time (1) * (5)
(1)	(2)	(3)	(4)	(5)	(6)
1	70	0.943	66.04	0.06	0.06
2	70	0.890	62.30	0.06	0.12
3	1070	0.840	898.39	0.88	2.63
			1,026.73	1.00	2.81

$$1/(1+0.06) = 0.943$$

$$1/(1+0.06)^2 = 0.890$$

$$1/(1+0.06)^3 = 0.840$$

$$0.06 = 66.04 / 1026.73$$

Macaulay Duration

A 3-year bond with Face Value of Rs 1000 pays 7% coupon annually and current interest rate of 6% has a Macaulay duration 2.81 years, it means that on an average it will take 2.81 years for the investor to recover the price paid for it.

Above is only for illustration purposes

## Things to remember about Macaulay Duration

- 01 Macaulay duration tells you the economic balance point of a group of cash flows.
- 02 It is usually close to the maturity of the bond as the major chunk of the repayment is done via principal.
- 03 Macaulay duration can only be applied to the fixed rate of instruments that will generate fixed cash flows.
- 04 The impact of change in interest rate on the value of a bond is calculated using Modified Duration and Macaulay Duration is one of the inputs for calculation of Modified Duration of a bond.
- 05 Macaulay duration is used in immunization strategies where the fund manager aims to match the duration of the assets with the duration of the liabilities.



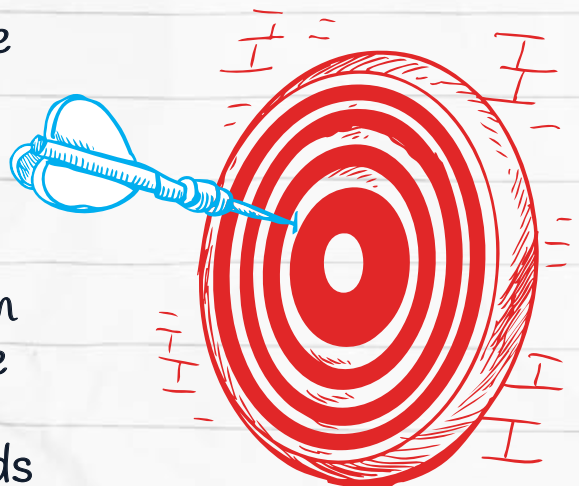
**Smart Choices**

# Debt MFs Traditional Saving Instruments

Most Indians are conservative when it comes to investing. With over 175 tn rupees (as on 30th Sep'22) parked in savings accounts and fixed deposits, it clearly shows that we prefer certainty and visibility in returns. While there are no fixed or guaranteed returns in the world of mutual funds, there are MF products that do offer some visibility of returns.

## Target Maturity Funds (TMFs)

Target maturity debt funds are passive debt mutual funds that aim to replicate the composition of predefined fixed income index and has a fixed maturity date. These funds are passively managed and generally invest in Government Securities which carry low credit risk. The aim of these products is to provide investors an opportunity to lock-in current yields with a specific investment horizon.





## How TMFs score over FDs?

	Target Maturity Funds (TMFs)	Fixed Deposits
Liquidity	Redemption and subscription possible on any business day	On maturity, or with penalty if early exit
Tax Efficiency	Indexation benefits are available for holding > 3 years	Interest is taxed as per individual tax bracket
Tenure	Fixed	Fixed
Diversification	Yes, as per underlying index / SEBI norms	No
Duration Risk	Reduces as scheme maturity approaches	NA

## Liquid funds over savings account

Many investors simply keep their short-term surplus funds or emergency funds in a savings or current account. However, savings bank accounts may not be efficient enough from an investment point of view. Liquid Funds are better alternatives to savings account as they aim for stable income generation and provide higher liquidity with lower volatility. These funds also offer Instant Access Facility (IAF) which facilitates credit of the redeemed amount to the investor's bank account instantly.

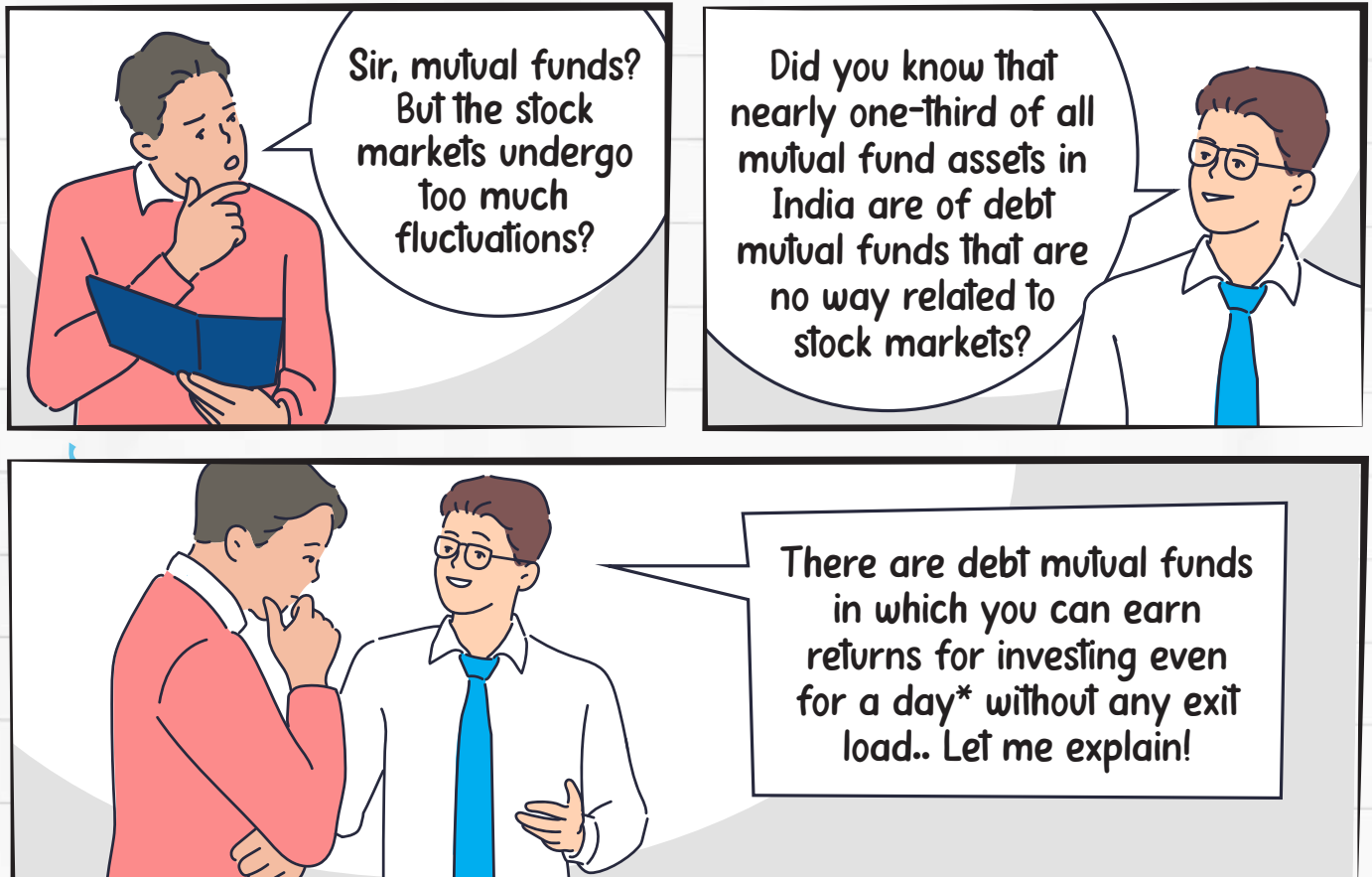
A historical return analysis of HDFC Liquid Fund shows that this fund, on an average has delivered higher returns than savings account (assumed 4%) based on 7 day rolling returns for the period 1st Apr'15 to 31st Oct'22.

Thus, smart choice would be to consider Debt Mutual Funds, as these score over other traditional savings instruments on various counts.



## Tete-a-tete

### Not all mutual funds are equity oriented



## The world of debt mutual funds

Many investors misunderstand mutual funds for equities. While all mutual funds are subject to market risks, stock markets are not the only markets in which mutual funds invest. As on 30th October 2022, the AUM of debt oriented mutual funds stood at ~ Rs 13 Lakh Crore out of the total MF industry AUM of ~Rs 40 Lakh Crore. Debt mutual funds aim to provide stability while complementing equity mutual funds within an investor's overall portfolio.

Besides long term asset allocation needs, debt mutual funds can be used for short term parking of surplus money, maintaining an emergency corpus or setting up an SWP (Systematic Withdrawal Plan) for regular income. Some Debt funds have higher liquidity and are tax efficient as compared to traditional fixed deposits.

\* Overnight Funds is category of debt mutual funds.  
For disclaimers, refer page 27

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## HDFC LIQUID FUND

(An open ended liquid scheme. A Relatively Low Interest Rate Risk and Moderate Credit Risk)

SIP since inception\* of ₹10,000 invested systematically on the first business day of every month (total investment ₹ 26.50 lakh) in HDFC Liquid Fund would have grown to ~ ₹ 59 lacs by October 31, 2022 (refer below table).

### A. SIP Performance - Regular Plan - Growth Option

SIP Investments	Since Inception*	15 year SIP	10 year SIP	5 year SIP	3 year SIP	1 year SIP
Total Amount Invested (₹ in Lacs)	26.50	18.00	12.00	6.00	3.60	1.20
Mkt Value as on October 31, 2022 (₹ in Lacs)	59.16	30.02	16.09	6.71	3.82	1.23
Returns (%)	6.70	6.49	5.71	4.42	3.88	4.64
Benchmark Returns (%)#	N.A.	6.52	5.91	4.77	4.28	5.02
Additional Benchmark Returns(%)##	6.00	6.09	5.79	4.72	3.71	3.51

CAGR returns are computed after accounting for the cash flow by using XIRR method (investment internal rate of return) for Regular Plan - Growth Option. The above investment simulation is for illustrative purposes only and should not be construed as a promise on minimum returns and safeguard of capital. SIP - Systematic Investment Plan.

### B. Performance - Regular Plan - Growth Option

NAV as at October 31, 2022 ₹ 4265.5941 (per unit)

Period	Scheme Returns (%)	Benchmark Returns (%)#	Additional Benchmark Returns (%)##	Value of investment of (₹) 10,000		
				Scheme (₹)	Benchmark (₹)#	Additional Benchmark (₹)##
Last 1 Year	4.25	4.61	3.40	10,425	10,461	10,340
Last 3 Years	3.93	4.34	4.37	11,228	11,360	11,370
Last 5 Years	5.14	5.39	5.50	12,850	13,005	13,073
Since Inception*	6.80	N.A.	6.16	42,656	N.A.	37,389

N.A. Not Available.

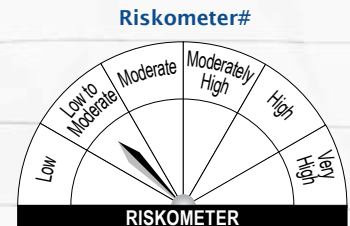
**Common notes for the above tables A & B:** The Scheme is co-managed by Mr. Anupam Joshi (since October 27, 2015) and Mr. Swapnil Jangam (since October 6, 2022). #CRISIL Liquid Fund B-I Index. ##CRISIL 1 year T-Bill Index. \*Inception Date: October 17, 2000. Since Inception Date = Date of First allotment in the Scheme/Plan.

### C. Performance of Other Funds Managed by Mr. Anupam Joshi, Co-Fund Manager of HDFC Liquid Fund (who manages total 4 schemes which have completed 1 year)

Scheme	Managing Scheme since	Returns (%) as on October 31, 2022		
		Last 1 year (%)	Last 3 years (%)	Last 5 years (%)
<b>HDFC Corporate Bond Fund</b>	October 27, 2015	2.62	6.16	6.86
Benchmark: NIFTY Corporate Bond Index B-III		3.47	6.91	7.05
<b>HDFC Low Duration Fund<sup>A</sup></b>	October 27, 2015	3.50	5.25	5.95
Benchmark: NIFTY Low Duration Debt Index B-I		4.11	5.21	6.18
<b>HDFC Hybrid Equity Fund<sup>@</sup></b>	October 6, 2022	5.86	15.88	10.45
Benchmark: NIFTY 50 Hybrid Composite Debt 65:35 Index		3.02	13.41	11.42

<sup>A</sup>The Scheme was co-managed by Mr. Anupam Joshi (since October 27, 2015) and Mr. Praveen Jain (since October 6, 2022). <sup>@</sup>The Scheme was co-managed by Mr. Anupam Joshi (since October 6, 2022) and Mr. Chirag Setalvad (since April 2, 2007) On account of difference in the type of the Scheme, asset allocation, investment strategy, inception dates, the performance of these schemes is strictly not comparable.

**Common notes for all the above tables: Past performance may or may not be sustained in the future.** Returns greater than 1 year period are Compounded Annualised (CAGR). Load is not taken into consideration for computation of above performance(s). Different plans viz. Regular Plan and Direct Plan have different expense structure. The expenses of the Direct Plan under the scheme will be lower to the extent of the distribution expenses/commission charged in the Regular Plan. The above returns are of Regular Plan - Growth Option. Returns as on October 31, 2022.

<b>HDFC Liquid Fund</b> (An open ended liquid scheme. A Relatively Low Interest Rate Risk and Moderate Credit Risk) is suitable for investors who are seeking*:	 <p><b>RISKOMETER#</b></p> <p>Investors understand that their principal will be at low to moderate risk</p>
<ul style="list-style-type: none"> <li>Regular income over short term</li> <li>To generate income through a portfolio comprising money market and debt instruments</li> </ul>	
<p>* Investors should consult their financial advisers, if in doubt about whether the product is suitable for them.</p>	

#For latest riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. [www.hdfcfund.com](http://www.hdfcfund.com)

Release Date: 4th December, 2022

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

# For latest riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. [www.hdfcfund.com](http://www.hdfcfund.com)

## HDFC SHORT TERM DEBT FUND

[An open ended short term debt scheme investing in instruments such that the Macaulay Duration of the portfolio is between 1 year and 3 years.  
A Relatively High Interest Rate Risk and Moderate Credit Risk]

### A. SIP Performance - Regular Plan - Growth Option

SIP Investments	Since Inception*	10 year SIP	5 year SIP	3 year SIP	1 year SIP
Total Amount Invested (₹ in Lacs)	14.90	12.00	6.00	3.60	1.20
Mkt Value as on October 31, 2022 (₹ in Lacs)	24.30	17.37	7.00	3.85	1.22
Returns (%)	7.55	7.18	6.09	4.46	3.16
Benchmark Returns (%)#	7.51	7.21	6.20	4.90	3.59
Additional Benchmark Returns(%)##	5.79	5.45	3.79	0.99	0.10

CAGR returns are computed after accounting for the cash flow by using XIRR method (investment internal rate of return) for Regular Plan - Growth Option. The above investment simulation is for illustrative purposes only and should not be construed as a promise on minimum returns and safeguard of capital. SIP - Systematic Investment Plan.

### B. Performance - Regular Plan - Growth Option

NAV as at October 31, 2022 ₹ 26.0661 (per unit)

Period	Scheme Returns (%)	Benchmark Returns (%)#	Additional Benchmark Returns (%)##	Value of investment of (₹) 10,000		
				Scheme (₹)	Benchmark (₹)#	Additional Benchmark (₹)##
Last 1 Year	2.85	3.54	-0.96	10,287	10,356	9,904
Last 3 Years	6.02	6.10	3.10	11,920	11,944	10,961
Last 5 Years	6.79	6.71	4.59	13,889	13,836	12,517
Since Inception*	8.06	7.77	6.02	26,066	25,200	20,606

**Common notes for the above tables A & B:** The Scheme is managed by Mr. Anil Bamboli since June 25, 2010. #CRISIL Short Duration Fund B-II Index. ##CRISIL 10 year Gilt Index. \*Inception Date: June 25, 2010. Since Inception Date = Date of First allotment in the Scheme/Plan.

### C. Performance of other funds managed by Anil Bamboli, Manager of HDFC Short Term Debt Fund (who manages total 13 schemes which have completed one year)

Performance of Top 3 schemes by Anil Bamboli				
Scheme	Managing Scheme since	Returns (%) as on October 31, 2022		
		Last 1 year (%)	Last 3 years (%)	Last 5 years (%)
HDFC Balanced Advantage Fund §	July 29, 2022	13.41	16.73	10.76
Benchmark - NIFTY 50 Hybrid Composite debt 50:50 Index		2.83	11.93	10.49
HDFC Children's Gift Fund π	October 6, 2022	5.09	16.82	11.45
Benchmark - NIFTY 50 Hybrid Composite Debt 65:35 Index		3.02	13.41	11.42
HDFC Asset Allocator Fund Of Funds @	May 05, 2021	6.51	N.A.	N.A.
Benchmark - 90% Nifty 50 Hybrid Composite Debt 65:35 Index (Total Returns Index) and 10% Domestic Prices of Gold arrived at based on London Bullion Market Association's (Lbma) Am		3.34	N.A.	N.A.
Performance of Bottom 3 schemes by Anil Bamboli				
Scheme	Managing Scheme since	Returns (%) as on October 31, 2022		
		Last 1 year (%)	Last 3 years (%)	Last 5 years (%)
HDFC Multi - Asset Fund ~	August 17, 2005	4.52	14.25	9.91
Benchmark - 90% NIFTY 50 Hybrid Composite Debt 65:35 Index + 10% Domestic Price of Gold		3.34	13.16	11.57
HDFC Dynamic Debt Fund	February 16, 2004	0.88	5.92	4.56
Benchmark - CRISIL Dynamic Bond Fund B-III Index		2.53	7.62	7.09
HDFC Dynamic PE Ratio Fund of Funds +	February 06, 2012	6.07	13.82	8.99
Benchmark - NIFTY 50 Hybrid Composite Debt 65:35 Index		3.02	13.41	11.42

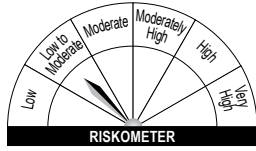
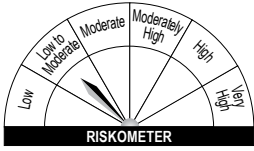
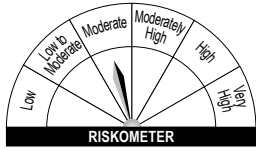
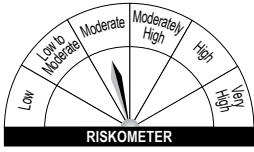
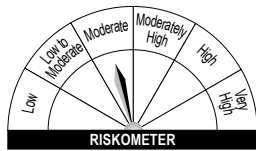

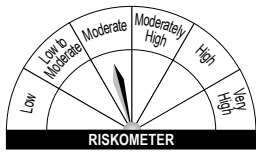

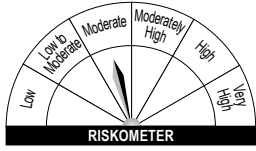
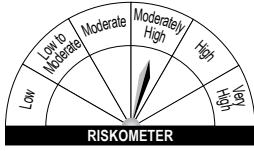
Top 3 and bottom 3 schemes managed by the Fund Manager have been derived on the basis of since inception returns vis-à-vis the benchmark. In case the benchmark is not available on the Scheme's inception date, the returns for the concerned scheme is considered from the date the benchmark is available. On account of difference in the type of the Scheme, asset allocation, investment strategy, inception dates, the performance of these schemes is strictly not comparable. § The Scheme is co-managed by Mr. Gopal Agrawal (Equity Assets), Mr. Srinivasan Ramamurthy (Equity Assets), Mr. Anil Bamboli (Debt Assets) and Mr. Arun Agarwal (Arbitrage Assets). π The Scheme is co-managed by Mr. Chirag Setalvad (Equity Assets) and Mr. Anil Bamboli (Debt Assets). @ The Scheme is co-managed by Mr. Srinivasan Ramamurthy (Equity Assets), Mr. Bhagyesh Kagalkar (Gold Assets) and Mr. Anil Bamboli (Debt Assets). ~ The Scheme is co-managed by Mr. Srinivasan Ramamurthy (Equity Assets), Mr. Anil Bamboli (Debt Assets), Mr. Krishan Kumar Daga (Arbitrage Assets), Mr. Bhagyesh Kagalkar (Gold Assets) and Mr. Arun Agarwal (Arbitrage Assets). + The scheme is co-managed by Mr. Srinivasan Ramamurthy (Equity Assets) and Mr. Anil Bamboli (Debt Assets).

**Common notes for all the above tables: Past performance may or may not be sustained in the future.** Different plans viz. Regular Plan and Direct Plan have different expense structure. The expenses of the Direct Plan under the scheme will be lower to the extent of the distribution expenses/commission charged in the Regular Plan. Returns greater than 1 year period are compounded annualized (CAGR). Load is not taken into consideration for computation of above performance(s). The above returns are of Regular Plan - Growth Option. Returns as on October 31, 2022.

Release Date: 4th December, 2022

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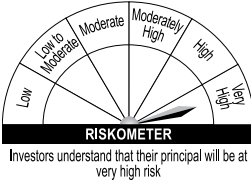
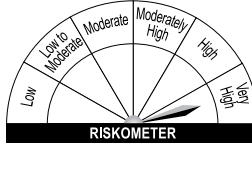
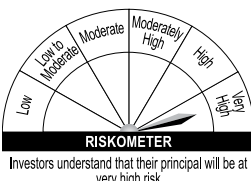
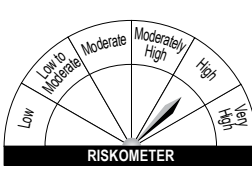
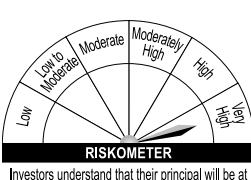
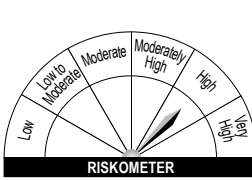
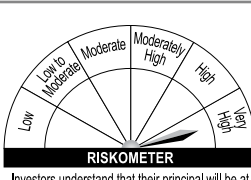
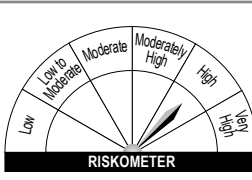
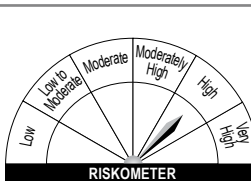
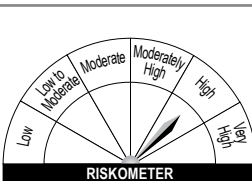
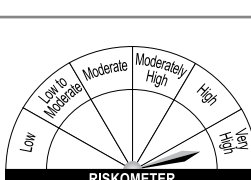
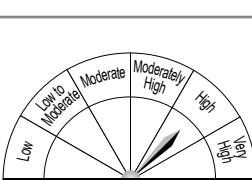
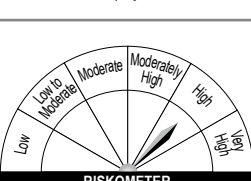
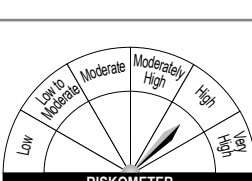
# For latest riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. [www.hdfcfund.com](http://www.hdfcfund.com)

Fund Name and Benchmark	Product Labelling (This product is suitable for investors who are seeking ~)	Scheme Riskometer (Current risk as per latest month end portfolio)	Benchmark Riskometer	Potential Risk Class (Maximum risk the Scheme can take)																	
<b>HDFC Liquid Fund</b>  BENCHMARK: CRISIL Liquid Fund B-I Index	<ul style="list-style-type: none"><li>• Regular income over short term</li><li>• To generate income through a portfolio comprising money market and debt instruments</li></ul>	 <p><b>RISKOMETER</b> Investors understand that their principal will be at low to moderate risk</p>	 <p><b>RISKOMETER</b></p>	<table><tr><td>Credit Risk →</td><td rowspan="2">Relatively Low (Class A)</td><td rowspan="2">Moderate (Class B)</td><td rowspan="2">Relatively High (Class C)</td></tr><tr><td>Interest Rate Risk ↓</td></tr><tr><td>Relatively Low (Class I)</td><td></td><td><b>B-I</b></td><td></td></tr><tr><td>Moderate (Class II)</td><td></td><td></td><td></td></tr><tr><td>Relatively High (Class III)</td><td></td><td></td><td></td></tr></table> <p><b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b></p>	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓	Relatively Low (Class I)		<b>B-I</b>		Moderate (Class II)				Relatively High (Class III)			
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Interest Rate Risk ↓																					
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Moderate (Class II)																					
Relatively High (Class III)																					
<b>HDFC Short Term Debt Fund</b>  BENCHMARK: CRISIL Short Duration Fund B-II Index	<ul style="list-style-type: none"><li>• Income over short term.</li><li>• To generate income / capital appreciation through investments in Debt and Money Market Instruments</li></ul>	 <p><b>RISKOMETER</b> Investors understand that their principal will be at moderate risk</p>	 <p><b>RISKOMETER</b></p>	<table><tr><td>Credit Risk →</td><td rowspan="2">Relatively Low (Class A)</td><td rowspan="2">Moderate (Class B)</td><td rowspan="2">Relatively High (Class C)</td></tr><tr><td>Interest Rate Risk ↓</td></tr><tr><td>Relatively Low (Class I)</td><td></td><td></td><td></td></tr><tr><td>Moderate (Class II)</td><td></td><td></td><td></td></tr><tr><td>Relatively High (Class III)</td><td></td><td><b>B-III</b></td><td></td></tr></table> <p><b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b></p>	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓	Relatively Low (Class I)				Moderate (Class II)				Relatively High (Class III)		<b>B-III</b>	
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Moderate (Class II)																					
Relatively High (Class III)		<b>B-III</b>																			
<b>HDFC Corporate Bond Fund</b>  BENCHMARK: NIFTY Corporate Bond Index B-III	<ul style="list-style-type: none"><li>• Income over short to medium term</li><li>• To generate income/capital appreciation through investments predominantly in AA+ and above rated corporate bonds</li></ul>	 <p><b>RISKOMETER</b> Investors understand that their principal will be at moderate risk</p>	 <p><b>RISKOMETER</b></p>	<table><tr><td>Credit Risk →</td><td rowspan="2">Relatively Low (Class A)</td><td rowspan="2">Moderate (Class B)</td><td rowspan="2">Relatively High (Class C)</td></tr><tr><td>Interest Rate Risk ↓</td></tr><tr><td>Relatively Low (Class I)</td><td></td><td></td><td></td></tr><tr><td>Moderate (Class II)</td><td></td><td></td><td></td></tr><tr><td>Relatively High (Class III)</td><td></td><td><b>B-III</b></td><td></td></tr></table> <p><b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b></p>	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓	Relatively Low (Class I)				Moderate (Class II)				Relatively High (Class III)		<b>B-III</b>	
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<b>HDFC Low Duration Fund</b>  BENCHMARK: NIFTY Low Duration Debt Index B-I	<ul style="list-style-type: none"><li>• Income over short term.</li><li>• To generate income / capital appreciation through investment in debt securities and money market instruments</li></ul>	 <p><b>RISKOMETER</b> Investors understand that their principal will be at moderate risk</p>	 <p><b>RISKOMETER</b></p>	<table><tr><td>Credit Risk →</td><td rowspan="2">Relatively Low (Class A)</td><td rowspan="2">Moderate (Class B)</td><td rowspan="2">Relatively High (Class C)</td></tr><tr><td>Interest Rate Risk ↓</td></tr><tr><td>Relatively Low (Class I)</td><td></td><td></td><td></td></tr><tr><td>Moderate (Class II)</td><td></td><td></td><td></td></tr><tr><td>Relatively High (Class III)</td><td></td><td><b>B-III</b></td><td></td></tr></table> <p><b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b></p>	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓	Relatively Low (Class I)				Moderate (Class II)				Relatively High (Class III)		<b>B-III</b>	
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Interest Rate Risk ↓																					
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Relatively High (Class III)		<b>B-III</b>																			
<b>HDFC Dynamic Debt Fund</b>  BENCHMARK: CRISIL Dynamic Bond Fund B-III Index	<ul style="list-style-type: none"><li>• Income over medium to long term</li><li>• To generate income / capital appreciation by investing in a range of debt and money market instruments</li></ul>	 <p><b>RISKOMETER</b> Investors understand that their principal will be at moderate risk</p>	 <p><b>RISKOMETER</b></p>	<table><tr><td>Credit Risk →</td><td rowspan="2">Relatively Low (Class A)</td><td rowspan="2">Moderate (Class B)</td><td rowspan="2">Relatively High (Class C)</td></tr><tr><td>Interest Rate Risk ↓</td></tr><tr><td>Relatively Low (Class I)</td><td></td><td></td><td></td></tr><tr><td>Moderate (Class II)</td><td></td><td></td><td></td></tr><tr><td>Relatively High (Class III)</td><td></td><td><b>B-III</b></td><td></td></tr></table> <p><b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b></p>	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓	Relatively Low (Class I)				Moderate (Class II)				Relatively High (Class III)		<b>B-III</b>	
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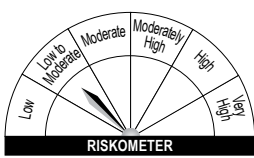
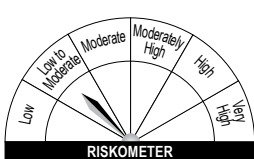

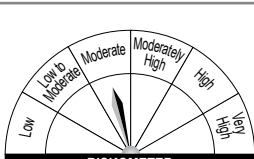
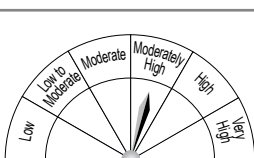
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Fund Name and Benchmark	Product Labelling (This product is suitable for investors who are seeking ~)	Scheme Riskometer (Current risk as per latest month end portfolio)	Benchmark Riskometer
<b>HDFC Business Cycle Fund</b>  BENCHMARK : NIFTY 500 (Total Returns Index)	<ul style="list-style-type: none"> <li>To generate long-term capital appreciation/ income</li> <li>Investment predominantly in equity &amp; equity related instruments of business cycle based theme</li> </ul>	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at very high risk</p>	 <p>RISKOMETER</p>
<b>HDFC Hybrid Equity Fund</b>  BENCHMARK : NIFTY 50 Hybrid Composite Debt 65:35 Index	<ul style="list-style-type: none"> <li>To generate long-term capital appreciation / income.</li> <li>Investments predominantly in equity &amp; equity related instruments. The Scheme will also invest in debt and money market instruments.</li> </ul>	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at very high risk</p>	 <p>RISKOMETER</p>
<b>HDFC Balanced Advantage Fund</b>  BENCHMARK : NIFTY 50 Hybrid Composite Debt 50:50 Index	<ul style="list-style-type: none"> <li>To generate long-term capital appreciation / income.</li> <li>Investments predominantly in equity &amp; equity related instruments. The Scheme will also invest in debt and money market instruments.</li> </ul>	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at very high risk</p>	 <p>RISKOMETER</p>
<b>HDFC Children's Gift Fund</b>  BENCHMARK : NIFTY 50 Hybrid Composite Debt 65:35 Index	<ul style="list-style-type: none"> <li>Capital appreciation over long term.</li> <li>Investment in equity and equity related instruments as well as debt and money market instruments.</li> </ul>	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at very high risk</p>	 <p>RISKOMETER</p>
<b>HDFC Asset Allocator Fund Of Funds</b>  BENCHMARK : 90% Nifty 50 Hybrid Composite Debt 65:35 Index (Total Returns Index) and 10% Domestic Prices of Gold arrived at based on London Bullion Market Association's (Lbma) Am Fixing Price.	<ul style="list-style-type: none"> <li>Capital appreciation over long term</li> <li>Investment predominantly in equity oriented, debt oriented and Gold ETF schemes</li> </ul>	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at high risk</p>	 <p>RISKOMETER</p>
<b>HDFC Multi-Asset Fund</b>  BENCHMARK : 90% NIFTY 50 Hybrid Composite Debt 65:35 Index + 10% Domestic Price of Gold	<ul style="list-style-type: none"> <li>To generate long-term capital appreciation/income</li> <li>Investments in a diversified portfolio of equity &amp; equity related instruments, debt &amp; money market instruments and Gold related instruments</li> </ul>	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at very high risk</p>	 <p>RISKOMETER</p>
<b>HDFC Dynamic PE Ratio Fund of Funds</b>  BENCHMARK : NIFTY 50 Hybrid Composite Debt 65:35 Index	<ul style="list-style-type: none"> <li>Capital appreciation over long term.</li> <li>Investment in specified equity and debt schemes of HDFC Mutual Fund based on PE Ratios</li> </ul>	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at high risk</p>	 <p>RISKOMETER</p>


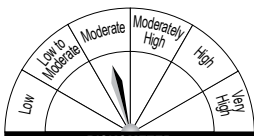
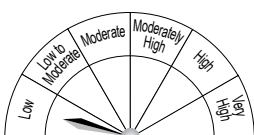
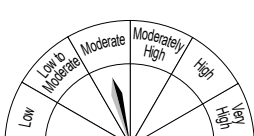

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Fund Name	Product Labelling (This product is suitable for investors who are seeking ~)	Scheme Riskometer (Current risk as per latest month end portfolio)	Potential Risk Class (Maximum risk the Scheme can take)																								
<b>HDFC Floating Rate Debt Fund</b>	<ul style="list-style-type: none"> <li>Income over short term</li> <li>To generate income / capital appreciation through investment in a portfolio comprising substantially of floating rate debt, fixed rate debt instruments swapped for floating rate returns and money market instruments</li> </ul>	 <p><b>RISKOMETER</b> Investors understand that their principal will be at low to moderate risk</p>	<table border="1"> <tr> <td>Credit Risk →</td><td>Relatively Low (Class A)</td><td>Moderate (Class B)</td><td>Relatively High (Class C)</td></tr> <tr> <td>Interest Rate Risk ↓</td><td></td><td></td><td></td></tr> <tr> <td>Relatively Low (Class I)</td><td></td><td></td><td></td></tr> <tr> <td>Moderate (Class II)</td><td></td><td></td><td></td></tr> <tr> <td>Relatively High (Class III)</td><td></td><td><b>B-III</b></td><td></td></tr> <tr> <td colspan="4"><b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b></td></tr> </table>	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)				Moderate (Class II)				Relatively High (Class III)		<b>B-III</b>		<b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b>			
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<b>HDFC Banking and PSU Debt Fund</b>	<ul style="list-style-type: none"> <li>Income over short to medium term.</li> <li>To generate income / capital appreciation through investments in debt and money market instruments consisting predominantly of securities issued by entities such as Scheduled Commercial Banks (SCBs), Public Sector undertakings (PSUs), Public Financial Institutions (PFIs), Municipal Corporations and such other bodies</li> </ul>	 <p><b>RISKOMETER</b> Investors understand that their principal will be at low to moderate risk</p>	<table border="1"> <tr> <td>Credit Risk →</td><td>Relatively Low (Class A)</td><td>Moderate (Class B)</td><td>Relatively High (Class C)</td></tr> <tr> <td>Interest Rate Risk ↓</td><td></td><td></td><td></td></tr> <tr> <td>Relatively Low (Class I)</td><td></td><td></td><td></td></tr> <tr> <td>Moderate (Class II)</td><td></td><td></td><td></td></tr> <tr> <td>Relatively High (Class III)</td><td></td><td><b>B-III</b></td><td></td></tr> <tr> <td colspan="4"><b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b></td></tr> </table>	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)				Moderate (Class II)				Relatively High (Class III)		<b>B-III</b>		<b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b>			
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<b>HDFC Gilt Fund</b>	<ul style="list-style-type: none"> <li>Credit risk free returns over medium to long term</li> <li>To generate credit risk-free returns through investments in sovereign securities issued by the Central Government and</li> </ul>	 <p><b>RISKOMETER</b> Investors understand that their principal will be at moderate risk</p>	<table border="1"> <tr> <td>Credit Risk →</td><td>Relatively Low (Class A)</td><td>Moderate (Class B)</td><td>Relatively High (Class C)</td></tr> <tr> <td>Interest Rate Risk ↓</td><td></td><td></td><td></td></tr> <tr> <td>Relatively Low (Class I)</td><td></td><td></td><td></td></tr> <tr> <td>Moderate (Class II)</td><td></td><td></td><td></td></tr> <tr> <td>Relatively High (Class III)</td><td><b>A-III</b></td><td></td><td></td></tr> <tr> <td colspan="4"><b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b></td></tr> </table>	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)				Moderate (Class II)				Relatively High (Class III)	<b>A-III</b>			<b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b>			
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<b>HDFC Credit Risk Debt Fund</b>	<ul style="list-style-type: none"> <li>Income over short to medium term</li> <li>To generate income/capital appreciation by investing predominantly in AA and below rated corporate debt (excluding AA+ rated corporate bonds)</li> </ul>	 <p><b>RISKOMETER</b> Investors understand that their principal will be at moderately high risk</p>	<table border="1"> <tr> <td>Credit Risk →</td><td>Relatively Low (Class A)</td><td>Moderate (Class B)</td><td>Relatively High (Class C)</td></tr> <tr> <td>Interest Rate Risk ↓</td><td></td><td></td><td></td></tr> <tr> <td>Relatively Low (Class I)</td><td></td><td></td><td></td></tr> <tr> <td>Moderate (Class II)</td><td></td><td></td><td></td></tr> <tr> <td>Relatively High (Class III)</td><td></td><td></td><td><b>C-III</b></td></tr> <tr> <td colspan="4"><b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b></td></tr> </table>	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)				Moderate (Class II)				Relatively High (Class III)			<b>C-III</b>	<b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b>			
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Fund Name	Product Labelling (This product is suitable for investors who are seeking ~)	Scheme Riskometer (Current risk as per latest month end portfolio)	Potential Risk Class (Maximum risk the Scheme can take)																								
<b>HDFC Nifty G-Sec Dec 2026 Index</b>	<ul style="list-style-type: none"> <li>Returns that are commensurate (before fees and expenses) with the performance of the Nifty G-Sec Dec 2026 Index, subject to tracking errors over long term.</li> <li>Investment in Government Securities/SDL, TREPS on Government Securities/ Treasury Bills.</li> </ul>	 <p><b>RISKOMETER</b></p> <p>Investors understand that their principal will be at moderate risk</p>	<table border="1"> <tr> <td>Credit Risk →</td><td>Relatively Low (Class A)</td><td>Moderate (Class B)</td><td>Relatively High (Class C)</td></tr> <tr> <td>Interest Rate Risk ↓</td><td></td><td></td><td></td></tr> <tr> <td>Relatively Low (Class I)</td><td></td><td></td><td></td></tr> <tr> <td>Moderate (Class II)</td><td></td><td></td><td></td></tr> <tr> <td>Relatively High (Class III)</td><td><b>A-III</b></td><td></td><td></td></tr> <tr> <td colspan="4"><b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b></td></tr> </table>	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)				Moderate (Class II)				Relatively High (Class III)	<b>A-III</b>			<b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b>			
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<b>HDFC Nifty G-Sec July 2031 Index Fund</b>	<ul style="list-style-type: none"> <li>Returns that are commensurate (before fees and expenses) with the performance of the Nifty G-Sec July 2031 Index, subject to tracking difference over long term.</li> <li>Investment in Government Securities/SDL, TREPS on Government Securities/Treasury bills</li> </ul>	 <p><b>RISKOMETER</b></p> <p>Investors understand that their principal will be at moderate risk</p>	<table border="1"> <tr> <td>Credit Risk →</td><td>Relatively Low (Class A)</td><td>Moderate (Class B)</td><td>Relatively High (Class C)</td></tr> <tr> <td>Interest Rate Risk ↓</td><td></td><td></td><td></td></tr> <tr> <td>Relatively Low (Class I)</td><td></td><td></td><td></td></tr> <tr> <td>Moderate (Class II)</td><td></td><td></td><td></td></tr> <tr> <td>Relatively High (Class III)</td><td><b>A-III</b></td><td></td><td></td></tr> <tr> <td colspan="4"><b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b></td></tr> </table>	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)				Moderate (Class II)				Relatively High (Class III)	<b>A-III</b>			<b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b>			
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<b>HDFC Overnight Fund</b>	<ul style="list-style-type: none"> <li>Regular income over short term that may be in line with the overnight call rates</li> <li>To generate returns by investing in debt and money market instruments with overnight maturity</li> </ul>	 <p><b>RISKOMETER</b></p> <p>Investors understand that their principal will be at low risk</p>	<table border="1"> <tr> <td>Credit Risk →</td><td>Relatively Low (Class A)</td><td>Moderate (Class B)</td><td>Relatively High (Class C)</td></tr> <tr> <td>Interest Rate Risk ↓</td><td></td><td></td><td></td></tr> <tr> <td>Relatively Low (Class I)</td><td><b>A-I</b></td><td></td><td></td></tr> <tr> <td>Moderate (Class II)</td><td></td><td></td><td></td></tr> <tr> <td>Relatively High (Class III)</td><td></td><td></td><td></td></tr> <tr> <td colspan="4"><b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b></td></tr> </table>	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)	<b>A-I</b>			Moderate (Class II)				Relatively High (Class III)				<b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b>			
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<b>HDFC Ultra Short Term Fund</b>	<ul style="list-style-type: none"> <li>Income over short term</li> <li>Income/capital appreciation through investment in debt securities and money market instruments</li> </ul>	 <p><b>RISKOMETER</b></p> <p>Investors understand that their principal will be at moderate risk</p>	<table border="1"> <tr> <td>Credit Risk →</td><td>Relatively Low (Class A)</td><td>Moderate (Class B)</td><td>Relatively High (Class C)</td></tr> <tr> <td>Interest Rate Risk ↓</td><td></td><td></td><td></td></tr> <tr> <td>Relatively Low (Class I)</td><td></td><td></td><td></td></tr> <tr> <td>Moderate (Class II)</td><td></td><td><b>B-II</b></td><td></td></tr> <tr> <td>Relatively High (Class III)</td><td></td><td></td><td></td></tr> <tr> <td colspan="4"><b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b></td></tr> </table>	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)				Moderate (Class II)		<b>B-II</b>		Relatively High (Class III)				<b>A-II - A Scheme with Moderate Interest Rate Risk and Relatively Low Credit Risk</b>			
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# Thank You

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