

HDFC MF

Weekend Bytes

A weekly series from HDFC Mutual Fund

Silver - A Shining Addition To Your Portfolio!



Silver is admired for its dual appeal – valued as both, a precious metal in jewelry, silverware, etc. and an essential industrial commodity in electronic devices, solar panels, water purification, etc. It is often referred to as “**the metal of the future**” in the industrial sector owing to its applications in established and emerging fields, such as in the Solar and Electric Vehicle (EV) space.

The global shift towards EVs is transforming the automotive industry thereby leading to the reshaping of demand dynamics of critical raw materials, such as silver. The metal is positioned as a powerhouse in the EV revolution owing to its use in Electrical Switches, Battery Management Systems, Charging Systems and Electronic Sensors. An EV uses more amount of silver than an Internal Combustion Engine (ICE), leading to increase in demand for silver.

Silver is an **integral part of 5G technology** due to its ability to enhance the speed of data transmission. It is used in high-frequency components, circuit boards, and antennas for 5G networks. Growing demand for faster and more reliable communication further boosts the demand for silver. Demand for silver is further escalated owing to its use in wearable health devices. Furthermore, servers and semiconductor fabrication processes use silver for superior conductivity and cooling.



From a demand-supply perspective, **deficit in silver was observed for the fourth consecutive year** in 2024, with the shortfall amounting to around 4,600 tonnes. (Source: The Silver Institute – World Silver Survey 2025). The deficit in silver cannot be met easily, since mine production is expected to peak in 2026 and then fall as several mines reach their end-of-life. To maintain output near current levels, positive investment decisions will be required in projects which are now at the development stage. The industrial demand for silver shows optimism. (Source: The Silver Institute – World Silver Survey 2025) **The limited supply coupled with increasing demand from industries as well as from investment products such as Exchange Traded Funds (ETFs) provides a positive outlook for silver.**

Performance of Silver over the last 25+ years



CAGR Returns

Period	Silver (INR/gm)	Silver (USD/gm)
20 Years	12.3%	8.5%
15 Years	9.4%	4.9%
10 Years	13.0%	9.5%
5 Years	12.0%	8.5%
3 Years	25.8%	21.8%
1 Year	32.6%	26.8%

Source: Bloomberg, Data as on July 31, 2025. Silver prices in INR do not include any customs duties, local taxes etc.

*CAGR: Compounded Annualized Growth Rate.

Past performance may or may not be sustained in the future and is not a guarantee of any future returns. HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns.

For investors wanting to tap into the opportunity related to the demand for silver, without the hassle of physical storage, may consider opting for the digital route of investment. Investors can consider investing in the **HDFC Silver ETF Fund of Fund**.

Why invest in HDFC Silver ETF FoF?



Benefit from capital appreciation:

HDFC Silver ETF Fund of Fund (FoF) aims to generate capital appreciation by investing in the units of HDFC Silver ETF. The ETF invests in physical silver of 99.9% fineness or above[^]. The precious metal has the potential to deliver better returns over the long term.

[^]complies with good delivery norms and with international standards of purity



Acts as a portfolio diversifier:

Owing to its lower correlation with other asset classes, silver provides portfolio diversification. It can act as a hedge against a depreciating currency and provide a potential safeguard for investors.



Improved demand in emerging technologies:

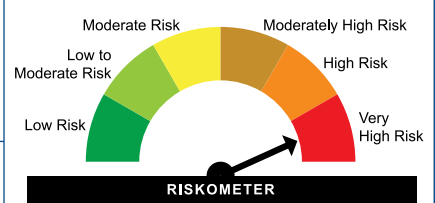
Demand for silver may increase owing to its applications in new age technologies such as electronics, electric vehicles, solar panels, and green energy solutions. This trend may contribute to an increase in the price of silver.



Low cost and convenience:

HDFC Silver ETF FoF offers a low cost and convenient way to invest digitally in silver. Investors can avoid the hassle of physical storage and ensure the quality of the underlying silver through this fund.



<p>HDFC SILVER ETF FUND OF FUND (An open ended Fund of Fund scheme investing in HDFC Silver ETF) is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Capital appreciation over long term • Investment in Units of HDFC Silver ETF (HSETF). HSETF invests in Silver and Silver related instruments 	<p style="text-align: center;">Riskometer#</p>  <p style="text-align: center;">RISKOMETER <i>The risk of the scheme is very high</i></p>
<p>*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</p>	

Note: Investors in HDFC Silver ETF Fund of Fund(The Scheme) shall bear the recurring expenses of the Scheme in addition to the recurring expenses of the underlying Scheme (subject to regulatory limits).

Views expressed above are indicative and should not be construed as investment advice or as a substitute for financial planning. Due to the personal nature of investments, investors are advised to seek professional advice before investing.

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