

HDFC MF

Weekend Bytes

A weekly series from HDFC Mutual Fund

Diversify across Sectors, Focus on Leaders!



For Illustration:



Hi Rohan, you look worried! What's up?

Don't even ask! The markets make me anxious. Each time I think of investing in a stock, its price rises. I am scared to invest my money now.



You aren't alone! But volatility is just part of the game. This is why I started investing via Mutual Funds. It is less stressful than trying to time the market.

Mutual Funds? But aren't they still linked to the market?



They are, but the difference is that professionals manage the fund. Their approach is rules-based and transparent. Also, if you invest via an SIP (Systematic Investment Plan), you don't have to worry about daily market swings. You can manage volatility better via Rupee Cost Averaging.

This makes sense.





Yes, Mutual Funds Sahi Hai! Also, have you heard about the NFO (New Fund Offer) of HDFC Mutual Fund? I am planning to invest in it.

I have heard about it.
Could you please elaborate on that?



It is the **HDFC BSE India Sector Leaders Index Fund** that will invest in the Top 3 companies by market capitalization from each sector of the BSE 500*. By investing, you will get exposure to a portfolio of Leaders from each sector.

*Scheme tracks the BSE India Sector Leaders Index, which consists of the Top 3 stocks from each sector selected based on average 6-month daily total market capitalization from the BSE 500 Index. For detailed methodology, please visit www.bseindices.com

What is special about investing in the Leaders?



Have you heard about creations like Statue of Unity, Akashteer, etc. and brands like Surf Excel, Maggi, etc? The companies behind these are Leaders in their sector. They strive for constant innovation, own trusted brands, are resilient during tough times, have stronger financials and a proven track record. You can tap into the growth potential of each of these Leaders which could lead to long term wealth creation!

(Source: Company Annual reports, Other publicly available information. Index as of Oct 31, 2025)

That's interesting! But don't you think Leadership is something that keeps evolving?



That is a very good question. The BSE India Sector Leaders Index is dynamic in terms of weightage-based rankings of its constituents. Hence, the leadership (in terms of constituent weights) keeps changing and so does the portfolio! The Sector Leaders Index is primarily Large cap oriented# with less sector and stock concentration than the BSE 500.

(Source: BSE Index Services Pvt. Ltd., and internal calculations. As of Oct 31, 2025. #Large Cap/Mid Cap/Small Cap Classification as per Clause 2.7 of SEBI Master Circular for Mutual Funds dated June 27, 2024. Large Cap/Mid Cap/Small Cap List as of 30th June, 2025.)

Okay! But won't investing in these Leaders entail paying premium valuations?



That is not the case here. Despite having high quality Leaders in the portfolio, the Index valuation remains in line with the broader BSE 500. P/E of Sector Leaders is 25.17 vs. BSE 500 P/E of 25.32. So, you can get exposure to a well-diversified portfolio comprising 20+ sectors at reasonable valuations.

(Source: BSE Indices Ltd., Data as of Oct 31, 2025. P/E = Price/Earnings Ratio)

That's good to know! How has the index of sector leaders performed historically vs. the broader index?



The BSE India Sector Leaders TRI (Total Returns Index) has outperformed the BSE 500 TRI over the last 3, 5, 7, 10 and 15 years

Source: BSE Index Services Pvt. Ltd. and internal calculations. As on Oct 31, 2025.
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. *CAGR: Compounded Annual Growth Rate

Thanks for the information. I too will consider investing in the HDFC BSE India Sector Leaders Index Fund.



Conclusion

India is one of the fastest growing major economies of the world, showcasing its resilience and growing significance in shaping the world's economic trajectory. There are a number of sectors that drive the country's growth - from Financial Services to Construction to Automobiles; each sector contributes uniquely to the nation's progress. Across sectors, leaders tend to champion this evolution with scale, expertise and vision. For those seeking to align their financial journey with India's success story, the HDFC BSE India Sector Leaders Index Fund may provide a suitable investment opportunity.

Sector Leaders stand out for their:



Ability to capture a larger share of sectoral growth



Constant innovation to shape the future of their industries



Trusted brands & customer loyalty



Resilience through tough times



Stronger financials



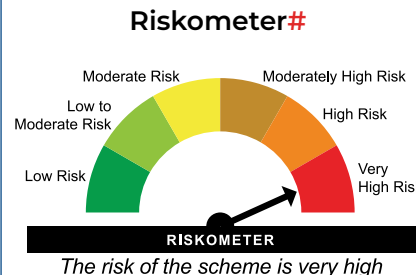
Investors can get exposure to the Leaders across sectors via the

HDFC BSE India Sector Leaders Index Fund

(NFO between November 7, 2025 – November 21, 2025)

HDFC BSE India Sector Leaders Index Fund (An open ended scheme replicating/tracking BSE India Sector Leaders Index (TRI)) is suitable for investors who are seeking*:

- Returns that are commensurate (before fees and expenses) with the performance of the BSE India Sector Leaders Index (TRI) over long term, subject to tracking error.
- Investment in equity securities covered by the BSE India Sector Leaders Index (TRI)



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

The Scheme being thematic in nature carries higher risks versus diversified equity mutual funds on account of concentration and theme specific risks.

BSE Disclaimer: HDFC BSE India Sector Leaders Index Fund "(the Product)" offered by HDFC Asset Management Company Limited is not sponsored, endorsed, sold or promoted by BSE Index Services Pvt. Ltd. (formerly known as Asia Index Pvt. Ltd). BSE Index Services Pvt. Ltd. does not make any representation or warranty, express or implied (including warranties of merchantability or fitness for particular purpose or use) and disclaims all liability to the owners of the Products or any member of the public regarding the advisability of investing in securities generally or in the Product linked to BSE India Sector Leaders Index or particularly in the ability of the BSE India Sector Leaders Index to track general stock market performance in India. Please read the full Disclaimers in relation to BSE India Sector Leaders Index in the SID of the Product.

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

Mission: To be the wealth creator for every Indian

Vision: To be the most respected asset manager in the world