

HDFC MF

Weekend Bytes

A weekly series from HDFC Mutual Fund

Flex STP: A Smarter Way to Navigate Market Volatility



You may already know about **Systematic Transfer Plan (STP)**, a facility that allows you to transfer money from one mutual fund scheme to another. But what if you could make the most of market movements while doing so? That's where **Flex STP** comes in.

What is FLEX STP and how does it differ from a Regular STP?

Unlike a regular STP, which transfers a fixed amount from your source scheme to your target scheme, the Flex STP adjusts the transfer amount depending upon the market conditions.

It transfers a fixed amount to the Target Scheme when the markets move higher but **transfers a higher amount when the markets are down.**



How does Flex STP help you?



Invest more in the target scheme as the markets go down: Flex STP helps you take advantage of the bearish phase in the market.



Lower Cost: Due to the flexibility it provides during falling markets, Flex STP is likely to result in lower cost per unit compared to a regular STP



Asset Allocation: Flex STP helps you alter your asset allocation gradually according to market conditions

How is the investment amount decided?

At the start, you decide:

- ✓ A fixed amount per installment
- ✓ Total number of installments
- ✓ Frequency (typically monthly)

For each installment, the amount invested is the higher of:

- ✓ The regular STP amount, or
- ✓ The amount determined by the below formula



Flex STP Amount = (Fixed amount per installment × Number of installments completed including current) – Market value of installments already processed
 Let's say, you have an active STP of Rs.50,000 every month. At the time of your third installment, the NAV drops from Rs.15 to Rs.11. The market value of your units at the start of the third month is Rs.91,667.

Now,

Fixed amount per installment = **Rs.50,000**

Total no. of installments = **3**

Monthly

Therefore, Flex STP = $(50,000 \times 3) - 91,667 =$ **Rs. 58,333.**



Under a regular STP, you would have invested only Rs.50,000 when the NAV dropped in the third month but under Flex STP, you would invest Rs.8,333 more helping you buy more units during a market dip.

Now, just because you can buy more units during a market dip, it does not mean you are transferring more than the total amount you have committed. The total amount invested over the entire Flex STP period is capped as the fixed amount multiplied by the total number of installments.

Let's understand this by an example

In 2019, Aditya was planning to start an STP from his existing **HDFC Liquid Fund** to **HDFC Flexi Cap Fund**. His advisor suggested him to start a Flex STP after he briefed him with its potential advantages. Aditya started a Flex STP with an amount of Rs.50,000 per month for 3 years starting from June 30, 2019. His total enrolment amount is Rs.18,00,000.

The below illustration shows the Flex STP started by Aditya compared to a Regular STP. During months when there was a drop in NAV, the amount invested under Flex STP was higher than Rs.50,000.

Aditya's STP period was 36 months starting from June 30, 2019 and ending on May 31, 2022#.

	Flex STP	Regular STP
Total Units Purchased	2672.32	2519.57
Net Average Cost per Unit (Rs.)	673.57	714.41
Total Amount Invested (Rs.)	18,00,000.00	18,00,000.00
Market Value (Rs.)	26,65,909.96	25,13,518.62

As you can see from the table above, the total enrolment amount of Rs.18,00,000 remains the same in both the plans but through the Flex STP option, Aditya acquired almost 100 units more than what he would have with the regular STP option. This resulted in a Market Value of his investments being higher by almost Rs.1.5 lakhs at the end of the tenure. His net average cost per unit is also considerably less in the Flex STP option.**

**Source: MFI Explorer.

#The selected investment period includes periods of market volatility.

Past performance may / may not be sustained in the future and is not a guarantee of any future returns. HDFC AMC/HDFC MF is not guaranteeing any returns on investment in the schemes. For complete performance in SEBI prescribed format, please refer page 5 and 6.

Conclusion:

Flex STP can be a smart choice for transferring money from one scheme to another as it allows you to transfer more amount to the Target Scheme when markets are low thereby making the most of market volatility.



HDFC Liquid Fund

A. SIP Performance - Regular Plan - Growth Option

	Since Inception*	15 year SIP	10 year SIP	5 year SIP	3 year SIP	1 year SIP
Total Amount Invested (₹ in lacs)	30.20	18.00	12.00	6.00	3.60	1.20
Market Value as on November 30, 2025 (₹ in lacs)	76.85	29.80	16.25	7.06	3.99	1.24
Returns (%)	6.74	6.41	5.91	6.44	6.83	6.24
Benchmark Returns (%)#	N.A.	6.43	5.99	6.49	6.81	6.19
Additional Benchmark Returns (%)##	6.19	6.35	6.07	6.36	6.81	5.72

Assuming ₹10,000 invested systematically on the first Business Day of every month over a period of time. 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.

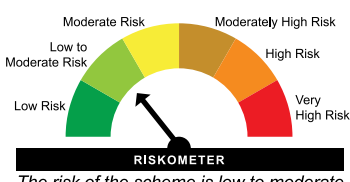
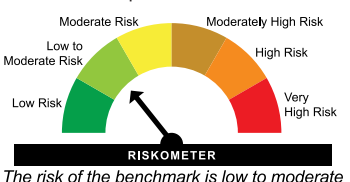
B. Performance - Regular Plan - Growth Option

NAV as on November 30, 2025. ₹5,245.8065 (per unit)

Period	Scheme Returns (%)	Benchmark Returns (%)#	Additional Benchmark Returns (%)##	Value of investment of (₹) 10,000		
				Scheme (₹)	Benchmark (₹)#	Additional Benchmark (₹)##
Last 7 days	5.71	5.56	6.33	10,011	10,011	10,012
Last 15 days	5.72	5.60	4.90	10,024	10,023	10,020
Last 1 Month	5.82	5.70	4.74	10,048	10,047	10,039
Last 1 Year	6.58	6.50	6.41	10,658	10,650	10,641
Last 3 Years	6.94	6.95	6.98	12,233	12,237	12,245
Last 5 Years	5.68	5.80	5.62	13,183	13,256	13,146
Last 10 Years	6.07	6.12	6.18	18,041	18,127	18,219
Since Inception*	6.82	NA	6.27	52,458	NA	46,075

Common notes for the above table A & B: Past performance may or may not be sustained in future and is not a guarantee of any future returns.*Since Inception date:- October 17, 2000. #CRISIL Liquid Debt A-I Index ##CRISIL 1 Year T-Bill Index. The scheme is managed by Mr. Swapnil Jangam since October 6, 2022 and Mr. Rohan Pillai since October 01, 2025. Returns less than 1 year period are simple annualized and greater than 1 year are compounded annualized (CAGR). N.A. Not Available. Different plans viz. Regular Plan and Direct Plan have a 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. Load is not taken into consideration for computation of performance. Returns as on November 30, 2025.

For performance of other funds managed by fund manager, Please [click here](#).

HDFC Liquid Fund (An open ended liquid scheme) is suitable for investors who are seeking*:	Riskometer #	Name of the Benchmark and Riskometer	
<ul style="list-style-type: none"> Regular income over short term To generate income through a portfolio comprising money market and debt instruments 	 <p>The risk of the scheme is low to moderate</p>	 <p>The risk of the benchmark is low to moderate</p>	
Potential Risk Class (Maximum risk the Scheme can take)			
Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)		B-I	
Moderate (Class II)			
Relatively High (Class III)			
B-I - A Scheme with Relatively Low Interest Rate Risk and Moderate Credit Risk.			
<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 Scheme and Benchmark Riskometer as on November 30, 2025.</p>			

HDFC Flexi Cap Fund

A. SIP Performance - Regular Plan - Growth Option

	Since Inception*	15 year SIP	10 year SIP	5 year SIP	3 year SIP	1 year SIP
Total Amount Invested (₹ in lacs)	37.10	18.00	12.00	6.00	3.60	1.20
Market Value as on November 30, 2025 (₹ in lacs)	2,280.28	72.94	32.60	10.27	4.84	1.30
Returns (%)	20.96	16.93	19.00	21.69	20.23	16.43
Benchmark Returns (%)#	15.11	14.89	15.87	15.66	15.35	15.12
Additional Benchmark Returns (%)##	13.91	13.82	14.80	14.05	14.20	17.22

Assuming ₹10,000 invested systematically on the first Business Day of every month over a period of time. 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.

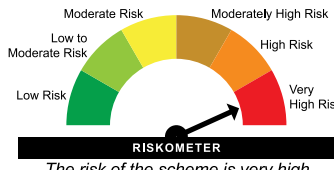
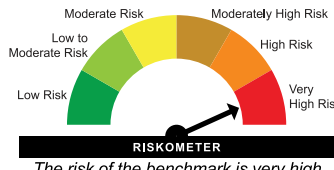
B. Performance - Regular Plan - Growth Option

NAV as on November 30, 2025. ₹2,078.812 (per unit)

Period	Scheme Returns (%)	Benchmark Returns (%)#	Additional Benchmark Returns (%)##	Value of investment of (₹) 10,000		
				Scheme (₹)	Benchmark (₹)#	Additional Benchmark (₹)##
Last 1 Year	10.36	6.56	9.94	11,033	10,654	10,991
Last 3 Years	20.72	15.60	13.10	17,583	15,441	14,461
Last 5 Years	26.04	21.08	16.46	31,843	23,499	21,446
Last 10 Years	16.41	14.87	14.08	45,719	40,013	37,349
Since Inception*	18.83	12.50	11.80	2,078,812	381,994	315,388

Common notes for the above table A & B: Past performance may or may not be sustained in future and is not a guarantee of any future returns.*Since Inception date:- January 1, 1995. #NIFTY 500 Index (TRI) ##Nifty 50 Index (TRI). The scheme is managed by Mr Chirag Setalvad w.e.f. December 8, 2025. Returns greater than 1 year period are compounded annualized (CAGR). As NIFTY 50 TRI data is not available since inception of the scheme, additional benchmark performance is calculated using composite CAGR of NIFTY 50 PRI values from January 1, 1995 to June 29, 1999 and TRI values since June 30, 1999. Different plans viz. Regular Plan and Direct Plan have a 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. Load is not taken into consideration for computation of performance. Returns as on November 30, 2025.

For performance of other funds managed by fund manager, Please [click here](#).

<p>HDFC Flexi Cap Fund (An open ended dynamic equity scheme investing across large cap, mid cap & small cap stocks.) is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • To generate long-term capital appreciation / income • Investment predominantly in equity & equity related instruments 	<p>Riskometer #</p>  <p>The risk of the scheme is very high</p>	<p>Name of the Benchmark and Riskometer</p> <p>NIFTY 500 Index (TRI)</p>  <p>The risk of the benchmark is very high</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 Scheme and Benchmark Riskometer as on November 30, 2025.</p>		

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.

Mission: To be the wealth creator for every Indian

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