

**HDFC MF**

# Weekend Bytes

A weekly series from HDFC Mutual Fund

## Making the most of an FOF, the HDFC MF way!



Investors often get anxious when it comes to deciding the optimal asset allocation to build a diversified portfolio, typically owing to lack of understanding of their own risk tolerance, over-focus on recently performing asset classes and giving importance to 'product buying' Vs 'asset allocation driven investing'. Expertise is also required in understanding when the portfolio must be rebalanced. Given the various considerations, investors may find it difficult to comprehensively account for portfolio nuances.



## A Simple Solution



One may consider a Fund of Fund (FoF) that invests in different mutual fund schemes.

By investing in a single FoF, investors can gain exposure to multiple underlying mutual funds, which is independently managed by experienced Fund Managers. This may aid portfolio construction, diversification and potential long-term wealth creation along with the added convenience of not having to worry about the portfolio dynamics.

## Our FOF Offerings on the Active side:

### ✓ **HDFC Multi-Asset Active FOF**

An open ended Fund of Funds scheme investing in equity oriented, debt oriented and gold ETF schemes

### ✓ **HDFC Income Plus Arbitrage Active FOF**

An open ended Fund of Fund scheme investing in Arbitrage and Debt Mutual Fund Schemes

### ✓ **HDFC Diversified Equity All Cap Active FOF**

An Open-ended Fund of Fund Scheme investing in units of domestic equity-oriented schemes based on varied market caps

## Our FOF Offerings on the Passive side:

### ✓ **HDFC Developed World Overseas Equity Passive FOF**

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.

(The fund currently does not allow fresh subscriptions due to industry level regulatory restrictions.)

### ✓ **HDFC Gold ETF Fund of Fund**

An open ended Fund of Fund scheme investing in HDFC Gold ETF

### ✓ **HDFC Silver ETF Fund of Fund**

An open ended Fund of Fund scheme investing in HDFC Silver ETF



## Why choose a Fund of Fund?



### Diversification

Investing via FoFs provides exposure to multiple asset classes (equity, debt, precious metals, etc.) which may not be perfectly correlated. This enables diversification due to non-reliance on a single asset class for the desired risk-return tradeoff.



### Leverage multi-manager experience

Varied investment styles of managers of the underlying schemes may have potential for higher risk-adjusted returns owing to diversification of investment processes during market cycles.



### Professional asset allocation

FoFs are managed by seasoned managers who adjust the portfolio as and when required basis the Investment Mandate. This strategic asset allocation plays a crucial role in long-term wealth creation.



### Balance Active and Passive Investing

Markets are not necessarily completely efficient hence one can create a portfolio of Actively managed as well as Passively managed FoFs to suit their investment objectives and risk profile.



### Behavioural discipline

One need not worry about the right time to rebalance, increase/ decrease exposure to an asset class, etc., since such decisions are taken by experienced Fund Managers. This keeps emotions away from investing.



### Tax efficiency

The buying and selling of funds within an FOF does not attract tax. The capital gains for an investor in the above-mentioned FOFs will be taxed at 12.5%^ for a holding period greater than 24 months, and at the investor's income tax slab rate^ for a holding period less than or equal to 24 months.

^Surcharge as applicable + Health and Education Cess applicable at 4% on aggregate of base tax + surcharge. In view of the individual nature of tax consequences, each investor is advised to consult his / her own professional tax advisor. The information given here is neither a complete disclosure of every material fact of Income Tax Act (1961), nor it constitutes a legal or tax advice.

## Why choose HDFC MF?



Long-Term Investment vintage with many funds having completed more than 20 years



Driven by a core investment philosophy that helps create long-term value



Portfolios are constructed on the basis of medium to long-term fundamentals



Team of experienced professionals, with research aimed at understanding the businesses we invest in



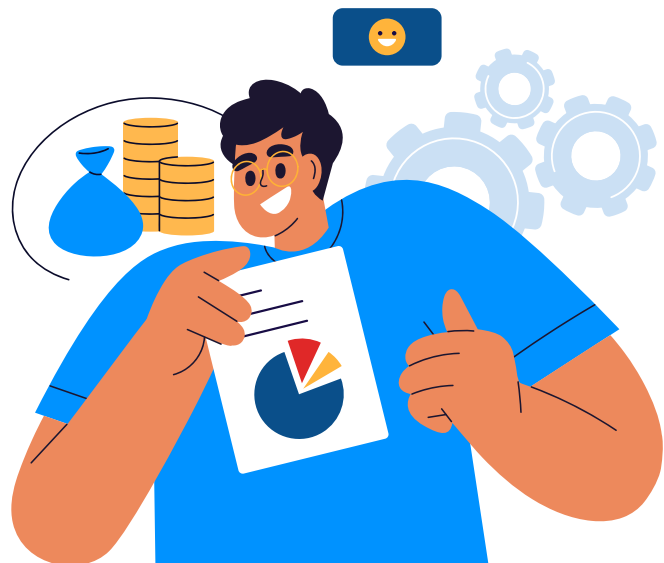
Sound risk management and governance processes which helps avoid investment in assets where effective risk mitigation strategies cannot be implemented

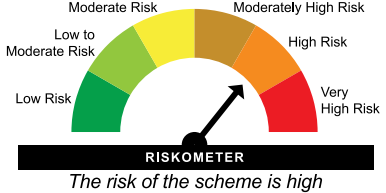
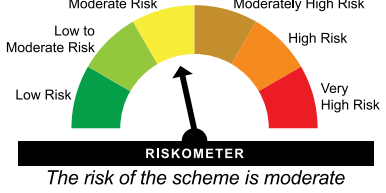
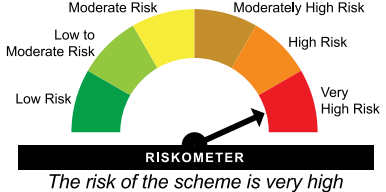
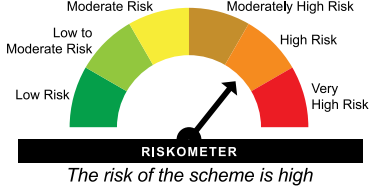


Approximately 99% of our Equity-Oriented AUM has outperformed the Benchmark on 3Yrs and 5Yrs. [Click here](#) for more details. (As of November 30, 2025)

## Conclusion

A Fund of Fund is a convenient way to obtain diversified and multi-manager professional expertise when investing in Mutual Funds. In a market where consistency and risk management are important, HDFC Mutual Fund's FoFs may serve as a strategic tool in optimal portfolio construction and asset allocation.



Name of Scheme / Investment Plan	This product is suitable for investors who are seeking*:	SCHEME RISKOMETER#
<p><b>HDFC Multi-Asset Active FOF</b></p> <p>An open ended Fund of Funds scheme investing in equity oriented, debt oriented and gold ETFs schemes (Name changed from HDFC Asset Allocator Fund of Funds w.e.f. May 02, 2025)</p>	<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>The risk of the scheme is high</p>
<p><b>HDFC Income Plus Arbitrage Active FOF</b></p> <p>An open ended Fund of Fund scheme investing in Arbitrage and Debt Mutual Fund Schemes</p>	<ul style="list-style-type: none"> <li>• Capital appreciation/ generate income over long term</li> <li>• To Invest in units of Equity oriented schemes based on varied market caps</li> </ul>	 <p>The risk of the scheme is moderate</p>
<p><b>HDFC Diversified Equity All Cap Active FOF</b></p> <p>An Open-ended Fund of Fund Scheme investing in units of domestic equity-oriented schemes based on varied market caps.</p>	<ul style="list-style-type: none"> <li>• Capital appreciation over long term</li> <li>• investment in Units of Arbitrage and Debt schemes</li> </ul>	
<p><b>HDFC Developed World Overseas Equity Passive FOF</b></p> <p>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 (Name changed from HDFC Developed World Equity Passive FOF w.e.f. August 30, 2025)</p>	<ul style="list-style-type: none"> <li>• Returns that closely correspond to the performance of the MSCI World Index, subject to tracking errors, over long term</li> <li>• Investments in units/shares of overseas equity Index Funds and/or ETFs</li> </ul>	 <p>The risk of the scheme is very high</p>
<p><b>HDFC Silver ETF Fund of Fund</b></p> <p>An open ended Fund of Fund scheme investing in HDFC Silver ETF</p>	<ul style="list-style-type: none"> <li>• Capital appreciation over long term.</li> <li>• Investment in Units of HDFC Silver ETF (HSETF). HSETF invests in Silver and Silver related instruments.</li> </ul>	
<p><b>HDFC Gold ETF Fund of Fund</b></p> <p>An open ended Fund of Fund scheme investing in HDFC Gold ETF</p>	<ul style="list-style-type: none"> <li>• Capital appreciation over long term</li> <li>• Investment in Units of HDFC Gold ETF(HGETF). HGETF invests in gold bullion of 0.995 fineness</li> </ul>	 <p>The risk of the scheme is 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. <a href="http://www.hdfcfund.com">www.hdfcfund.com</a> Scheme Riskometer as on November 30, 2025</p>		

Investors shall bear the recurring expenses of the Scheme in addition to the recurring expenses of the respective underlying Schemes (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.**

**Mission: To be the wealth creator for every Indian**

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