

## Information available through weblink - HDFC Nifty India Consumption Index Fund - (MF Lite)

<b>Liquidity/listing details</b>	<p>Being open ended Scheme under which Sale and Redemption of Units will be made on continuous basis by the Mutual Fund (subject to completion of lock-in period, if any), the Units of the Scheme are not proposed to be listed on any stock exchange. However, the Mutual Fund may at its sole discretion list the Units under the Scheme on one or more stock exchange at a later date.</p> <p>The Units of the Schemes in Demat mode are freely transferable. Units held in Statement of Account (SoA) mode may be transferred subject to prevailing AMFI / SEBI guidelines from time to time.</p> <p>If an applicant desires to transfer Units held in physical mode for e.g. in statement of account form, the AMC shall, upon receipt of valid and complete request for transfer together with the relevant documents, register the transfer within 30 days. Provided that the transferor(s) and the transferee(s) will have to comply with the procedure for transfer as may be laid down by the AMC or as required under the prevailing law from time to time including payment of stamp duty for transfer of Units, etc.</p> <p>Units held in Demat form are transferable in accordance with the provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as may be amended from time to time." For more details, refer SAI.</p>
<b>NAV disclosure</b>	<p>The Net Asset Value (NAV) per Unit of the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding under the Scheme on the valuation date. The AMC will value its investments according to the valuation norms, as specified in Schedule VIII of the SEBI (MF) Regulations, or such norms as may be specified by SEBI from time to time and as stipulated in the Valuation Policy and Procedures of the Fund, provided in SAI available on website.</p> <p>In case of any conflict between the Principles of Fair Valuation and valuation guidelines specified by SEBI, the Principles of Fair Valuation shall prevail.</p> <p>The AMC will calculate and disclose NAVs at the close of every Business Day. As required by SEBI, the NAVs shall be disclosed in the following manner:</p> <ol style="list-style-type: none"><li>i) Displayed on the website of the Mutual Fund (<a href="http://www.hdfcfund.com">www.hdfcfund.com</a>)</li><li>ii) Displayed on the website of Association of Mutual Funds in India (AMFI) (<a href="http://www.amfiindia.com">www.amfiindia.com</a>).</li><li>iii) Any other manner as may be specified by SEBI from time to time.</li></ol> <p>AMC shall update the NAVs on the website of the Fund and AMFI by 11.00 p.m. every Business day. In case of any delay in uploading on AMFI website, the reasons for such delay would be explained to AMFI and SEBI in writing. If the NAVs are not available before commencement of business hours on the following day due to any reason, Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs.</p> <p>Mutual Fund / AMC will provide facility of sending latest available NAVs to unitholders through SMS, upon receiving a specific request in this regard.</p>

**Illustration on Computation of NAV:**

NAV for the Scheme shall be calculated as shown below:

<b>Particulars</b>	<b>Amount (In INR)</b>
Assets	
<b>Investments (at Market Value)</b> (Equity/Debt/Derivatives)	10,000
<b>Current Assets</b>	
Interest receivable	1,000
Dividend Receivables	550
Trades Receivables	1,500
<b>Total Assets (A)</b>	13,050
<b>Current Liabilities</b>	
Trade Payables	1,500
Expense Payable	25
Dividend payable	25
<b>Total Liabilities (B)</b>	1,550
<b>Net Assets (C) (A – B)</b>	11,500
<b>Units Outstanding (D)</b>	1,000
<b>NAV per unit (C/D)</b>	₹ 11.50

**METHODOLOGY FOR COMPUTATION OF SALE AND REPURCHASE PRICE**

**Ongoing Price for subscription (purchase)/ switch-in (from other schemes/ plans of the mutual fund) by investors. (This is the price you need to pay for purchase/ switch-in):**

The Sale Price for a valid purchase will be the Applicable NAV.

i.e. Sale Price = Applicable NAV

For a valid purchase request of Rs. 10,000 where the applicable NAV is Rs. 11.1234, the units allotted will be:

$$\begin{aligned} &= \frac{10,000 \text{ (i.e. purchase amount)}}{11.1234 \text{ (i.e. applicable NAV)}} \\ &= 899.006 \text{ units (rounded to three decimals)} \end{aligned}$$

**Charges and other expenses, if any, borne by the investors have not been considered in the above illustration.**

**Ongoing Price for redemption (sale)/ switch-outs (to other schemes/plans of the mutual fund) by investors. (This is the price you will receive for redemptions/ switch-outs):**

The Repurchase Price for a valid repurchase will be the applicable NAV reduced by any exit load (say 1%). i.e. applicable NAV - (applicable NAV X applicable exit load).

For a valid repurchase request where the applicable NAV is Rs. 12.1234, the repurchase price will be:

$$\begin{aligned} &= 12.1234 - (12.1234 \times 1.00\%) \\ &= 12.1234 - 0.1212 \end{aligned}$$

	<p>= Rs. 12.0022</p> <p>Therefore, for a repurchase of 899.006 units, the proceeds received by the investor will be -</p> <p>= 899.006 (units) * 12.0022 (Repurchase price)</p> <p>= Rs. 10,790.02 (rounded to two decimals)</p>																					
<b>Applicable timelines</b>	<b>Redemption Proceeds:</b> Within 3 working days of the receipt of valid redemption request at the Official Points of Acceptance of HDFC Mutual Fund for this Scheme or within such timelines as may be prescribed by SEBI / AMFI from time to time in case of exceptional circumstances or otherwise.																					
<b>Breakup of Annual Scheme Recurring expenses</b>	<p>These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:</p> <p>The AMC has estimated that upto 1.00% of the daily net assets of the scheme will be charged to the scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the AMC <a href="http://www.hdfcfund.com">www.hdfcfund.com</a>.</p> <table border="1"> <thead> <tr> <th>Expense Head</th> <th>% of daily net assets* (estimated) (p.a.)</th> </tr> </thead> <tbody> <tr> <td>Investment Management and Advisory Fees<sup>3</sup> <sup>4</sup></td> <td rowspan="14">Upto 1.00%</td> </tr> <tr> <td>Trustee Fees &amp; Expenses<sup>1</sup></td> </tr> <tr> <td>Audit Fees &amp; Expenses</td> </tr> <tr> <td>Custodian Fees &amp; Expenses</td> </tr> <tr> <td>RTA Fees &amp; Expenses</td> </tr> <tr> <td>Marketing &amp; Selling expenses including agent commission and Statutory Advertisements</td> </tr> <tr> <td>Cost related to Investor Communication</td> </tr> <tr> <td>Cost of fund transfer from location to location</td> </tr> <tr> <td>Cost of providing account statements and redemption cheques and warrants</td> </tr> <tr> <td>Cost towards investor education &amp; awareness<sup>2</sup></td> </tr> <tr> <td>Brokerage &amp; Transaction cost on value of trades<sup>5</sup></td> </tr> <tr> <td>GST on expenses other than Investment Management and Advisory Fees<sup>3</sup></td> </tr> <tr> <td>GST on brokerage and transaction cost<sup>3</sup></td> </tr> <tr> <td>Other Expenses</td> </tr> <tr> <td><b>Maximum total expense ratio (TER) permissible under Regulation 52 (6)<sup>4</sup></b></td> <td>Upto 1.00%</td> </tr> <tr> <td>Additional expenses under Regulation 52 (6A) (c)<sup>5#</sup></td> <td>0.05%</td> </tr> </tbody> </table> <p>*Direct Plan under the Scheme shall have a lower expense ratio than Regular Plan, excluding distribution expenses, commission, etc., and no commission shall be paid from Direct Plan. All fees and expenses charged in a Direct Plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in a Regular Plan.</p>	Expense Head	% of daily net assets* (estimated) (p.a.)	Investment Management and Advisory Fees <sup>3</sup> <sup>4</sup>	Upto 1.00%	Trustee Fees & Expenses <sup>1</sup>	Audit Fees & Expenses	Custodian Fees & Expenses	RTA Fees & Expenses	Marketing & Selling expenses including agent commission and Statutory Advertisements	Cost related to Investor Communication	Cost of fund transfer from location to location	Cost of providing account statements and redemption cheques and warrants	Cost towards investor education & awareness <sup>2</sup>	Brokerage & Transaction cost on value of trades <sup>5</sup>	GST on expenses other than Investment Management and Advisory Fees <sup>3</sup>	GST on brokerage and transaction cost <sup>3</sup>	Other Expenses	<b>Maximum total expense ratio (TER) permissible under Regulation 52 (6)<sup>4</sup></b>	Upto 1.00%	Additional expenses under Regulation 52 (6A) (c) <sup>5#</sup>	0.05%
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#In terms of clause 10.1.7 of Master Circular, in case exit load is not levied / not applicable, the AMC shall not charge the said additional expenses.

**Notes:**

**<sup>1</sup> Trustee Fees and Expenses**

In accordance with the Trust Deed constituting the Mutual Fund, the Trustee is entitled to receive, in addition to the reimbursement of all costs, charges and expenses, a quarterly fee computed at a rate not exceeding 0.10% per annum of the daily net assets of the Scheme(s) or a sum of Rs. 15,00,000 per annum, whichever is higher. However, the Trustee may charge any fee amount within the rate/amount as specified hereto. Such fee shall be paid to the Trustee within seven working days from the end of each quarter every year, namely, within 7 working days from June 30, September 30, December 31 and March 31 of each year. The Trustee may charge further expenses as permitted from time to time under the Trust Deed and SEBI (MF) Regulations.

**<sup>2</sup> Investor Education and Awareness initiatives**

As per clause 10.1.16 of Master Circular read with SEBI Circular No. SEBI/HO/IMD/PoD2/P/CIR/2024/183 dated December 31, 2024, the AMC shall set apart 5% of the total TER charged to Direct Plan, subject to maximum 0.5 bps of AUM under the Scheme within the limits of total expenses prescribed under Regulation 52 of SEBI (MF) Regulations for investor education and awareness initiatives undertaken.

**<sup>3</sup> GST**

As per clause 10.3 of the Master Circular, GST shall be charged as follows:

1. GST on investment management and advisory fees shall be charged to the Scheme in addition to the maximum limit of TER as prescribed in Regulation 52 (6) of the SEBI (MF) Regulations.
2. GST on other than investment management and advisory fees, if any, shall be borne by the Scheme within the maximum limit of TER as prescribed in Regulation 52 (6) of the SEBI (MF) Regulations.
3. GST on exit load, if any, shall be paid out of the exit load proceeds and exit load net of GST, if any, shall be credited to the Scheme.
4. GST on brokerage and transaction cost paid for execution of trade, if any, shall be within the limit prescribed under Regulation 52 of the SEBI (MF) Regulations.

<sup>4</sup> There shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 52 (2) and (4) viz. Investment Management and Advisory Fees and various sub-heads of recurring expenses respectively.

**<sup>5</sup> Additional Expenses under Regulation 52 (6A):**

- (i) Brokerage and transaction cost incurred for the purpose of execution of trade shall be charged to the schemes as provided under Regulation 52 (6A) (a) upto 12 bps and 5 bps for cash market transactions and derivatives transactions (if permitted under the scheme) respectively. Any payment towards brokerage and transaction costs, over and above the said 12 bps and 5 bps may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52.
- (ii) Expenses not exceeding 0.05% p.a. of daily net assets towards Investment Management and Advisory Fees and the various sub-heads of recurring expenses mentioned under Regulation 52 (2) and (4) respectively of SEBI

(MF) Regulations. Provided that such additional expenses shall not be charged to the schemes where the exit load is not levied or applicable.

All scheme related expenses including commission paid to distributors, if any, by whatever name it may be called and in whatever manner it may be paid, shall necessarily be paid from the scheme only within the regulatory limits and not from the books of AMC, its associate, sponsor, trustees or any other entity through any route in terms of SEBI circulars, subject to the clarifications provided by SEBI to AMFI vide letter dated February 21, 2019 as amended from time to time on implementation of clause 10.1.12 of Master Circular on Total Expense Ratio (TER) and performance disclosure for Mutual Fund.

The total expenses charged to the Scheme shall not exceed the limits stated in Regulation 52 of the SEBI (MF) Regulations and as permitted under SEBI Circulars issued from time to time. Any expenditure in excess of the SEBI regulatory limits shall be borne by the AMC or by the Trustee or the Sponsor.

The mutual fund would update the current expense ratios on the website ([www.hdfcfund.com](http://www.hdfcfund.com)) at least three working days prior to the effective date of the change and update the TER under the Section titled "Statutory Disclosures" under sub-section titled "Total Expense Ratio of Mutual Fund Schemes".

**Illustration: Impact of Expense Ratio on Scheme's return:**

Expense ratio, normally expressed as a percentage of Average Assets under Management, is calculated by dividing the permissible expenses under the Regulations by the average net assets.

To further illustrate the above in rupees terms, for the Scheme under reference, suppose an Investor invested Rs. 10,000/- (after deduction of stamp duty, if any) the impact of expenses charged will be as under:

Particulars	Regular Plan	Direct Plan
Amount invested at the beginning of the year (Rs.)	10,000	10,000
Returns before expenses (Rs.)	1,500	1,500
Expenses other than Distribution expenses (Rs.)	150	150
Distribution expenses (Rs.)	50	-
<b>Returns after expenses at the end of the year (Rs.)</b>	<b>1300</b>	<b>1350</b>
<b>Returns (in %)</b>	<b>13%</b>	<b>13.5%</b>

**Note(s):**

- The purpose of the above illustration is purely to explain the impact of expense ratio charged under the Scheme and should not be construed as providing any kind of investment advice or guarantee of returns on investments.
- It is assumed that the expenses charged are evenly distributed throughout the year.

	<ul style="list-style-type: none"> <li>• The expenses of the Direct Plan under the Scheme will be lower to the extent of the distribution expenses/commission</li> <li>• Any tax impact has not been considered in the above example, in view of the individual nature of the tax implications. Each investor is advised to seek appropriate advice.</li> </ul>
<b>Risk factors</b>	<ul style="list-style-type: none"> <li>• <b>SCHEME SPECIFIC RISK FACTORS</b></li> </ul> <p>The Scheme is subject to the specific risks that may adversely affect the Scheme's NAV, return and / or ability to meet its investment objective.</p> <p>The Scheme being thematic in nature carries higher risks versus diversified equity mutual funds on account of concentration and sector specific risks.</p> <p>The specific risk factors related to the Scheme include, but are not limited to the following:</p> <p><b>1. Risks associated with Passive Investments:</b></p> <p>As the Scheme proposes to invest not less than 95% of the net assets in the securities of the Underlying Index in the same proportion, the Scheme will not be actively managed. Performance of the Underlying Index will have a direct bearing on the performance of the Scheme. The Scheme may be affected by a general decline in the Indian markets relating to its Underlying Index. The Scheme invests in the securities included in its Underlying Index regardless of their investment merit. The AMC does not attempt to individually select stocks or to take defensive positions in declining markets.</p> <p>Further, it is pertinent to note that there is no element of research recommendations involved before the execution of trades in the Scheme. The decision of the Fund Manager to execute trades including rebalancing required will be purely driven by the inflows and outflows in the Scheme and composition of the Underlying Index.</p> <p><b>2. Tracking Error / Tracking Difference Risk:</b></p> <p>The Fund Manager would not be able to invest the entire corpus exactly in the same proportion as in the Underlying Index due to certain factors such as the fees and expenses of the Scheme, corporate actions, cash balance, changes to the Underlying Index and regulatory policies which may affect AMC's ability to achieve close correlation with the Underlying Index of the Scheme. The Scheme's returns may therefore deviate from those of its Underlying Index.</p> <p>"Tracking Error" is defined as the standard deviation of the difference in daily returns between the Scheme and the Underlying Index annualized over 1 year period. Tracking difference is the difference of returns between the Scheme and the index annualized over 1 year, 3 year, 5 year, 10 year and since the scheme inception period. Tracking Error / Tracking Difference may arise including but not limited to the following reasons: -</p> <ol style="list-style-type: none"> <li>a. Expenditure incurred by the Scheme.</li> <li>b. The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses. The Scheme may not be invested at all times as it may keep a portion of the funds in cash to meet redemptions or for corporate actions.</li> <li>c. Securities trading may halt temporarily due to circuit filters.</li> <li>d. Corporate actions such as debenture or warrant conversion, rights, merger, change in constituents etc.</li> <li>e. Rounding off of quantity of shares in Underlying Index.</li> <li>f. Dividend received from underlying securities.</li> <li>g. Disinvestments by Scheme to meet redemptions, recurring expenses, etc.</li> <li>h. Execution of large buy / sell orders</li> </ol>

- i. Transaction cost (including taxes and insurance premium), recurring expenses and other expenses, such as but not limited to brokerage, custody, trustee and investment management fees
- j. Realisation of Unit holders' funds
- k. The Scheme may not be able to acquire or sell the desired number of securities due to conditions prevailing in the securities market, such as, but not restricted to: circuit filters in the securities, liquidity and volatility in security prices.
- l. The Index reflects the prices of securities at a point in time, which is the price at close of business day on BSE / National Stock Exchange of India Limited (NSE). The Scheme, however, may at times trade these securities at different points in time during the trading session and therefore the prices at which the Plan trade may not be identical to the closing price of each scrip on that day on the BSE / NSE. In addition, the Scheme may opt to trade the same securities on different exchanges due to price or liquidity factors, which may also result in traded prices being at variance, from BSE / NSE closing prices.
- m. In case of investments in derivatives like index futures, the risk reward would be the same as investments in portfolio of shares representing an index. However, there may be a cost attached to buying an index future. Further, there could be an element of settlement risk, which could be different from the risk in settling physical shares and there is a risk attached to the liquidity and the depth of the index futures market as it is relatively new market.

It will be the endeavour of the fund manager to keep the tracking error as low as possible. Under normal circumstances, such tracking error is not expected to exceed 2% per annum for daily 12 month rolling return. However, in case of corporate action events like, dividend received from underlying securities, rights issue from underlying securities or market events like circuit filters in the securities and market volatility during rebalancing of the portfolio following the rebalancing of the Underlying Index, etc. or in abnormal market circumstances, the tracking error may exceed the above limits. There can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Index.

### 3. Stock Liquidity in the event of Circuit Filter

Liquidity of stocks which are available only in cash segment and not in F&O segment gets adversely impacted in the event of a circuit filter imposed by any of the stock exchanges. Further, this may result in gain/loss to existing unit holders when finally the purchase / sale of that stock is executed. This would also create tracking error while comparing returns with benchmark.

Transaction type	Upper circuit	Lower circuit
Subscription	<p>The Scheme shall buy stocks <u>as per basket</u> wherever no circuit,</p> <p>In case of Circuit on any stock(s) in the basket, the Scheme shall:</p> <ol style="list-style-type: none"> <li>1. Hold cash for stock(s) on circuit at the latest available price on the stock</li> </ol>	NA

			<p>exchange when the circuit was triggered.</p> <p>2. Buy the stock(s) immediately when circuit is open.</p> <p>This may impact performance and result in tracking error.</p>		
		Redemption	NA	<p>The Scheme shall sell stocks <u>as per basket</u> if no circuit.</p> <p>In case of circuit on Stock(s) in the basket, the Scheme shall:</p> <p>1. Pay from cash or cash equivalent or create cash to pay for stocks on circuit at the latest available price on the stock exchange when the circuit was triggered by selling other stocks which may impact performance and result in tracking error;</p> <p>2. Sell stock immediately when circuit is open and re-balance portfolio which may impact performance and result in tracking error.</p>	
		<p><b>4. Risk factors associated with investing in equities and equity related instruments</b></p>			

- **Price Risk:** Equity shares and equity related instruments are volatile and prone to price fluctuations on a daily basis owing to market movements. The extent of fall or rise in the prices is a fluctuation in general market conditions, factors and forces affecting capital market, Real Estate and Infrastructure sectors, level of interest rates, trading volumes, settlement periods and transfer procedures. Investments in equity shares and equity related instruments involve a degree of risk and investors should not invest in the Scheme unless they can afford to take the risks.
- **Interest Rate Risk:** Securities/Instruments of REITs run interest rate risk. Generally, when interest rates rise, prices of units fall and when interest rates drop, such prices increase.
- **Credit Risk:** Credit risk means that the issuer of a REITs security/instrument may default on interest payment or even on paying back the principal amount on maturity. Securities/Instruments of REITs are likely to have volatile cash flows as the repayment dates would not necessarily be pre scheduled.
- **Liquidity Risk:** Securities/instruments, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges. Investment in such securities may lead to increase in the scheme portfolio risk. While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges and may lead to the Scheme incurring losses till the security is finally sold.
- **Reinvestment Risk:** Investments in securities/instruments of REITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or Dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.
- **Legal and Regulatory Risk:** The regulatory framework governing investments in securities/instruments of REITs comprises a relatively new set of regulations and is therefore untested, interpretation and enforcement by regulators and courts involves uncertainties. Presently, it is difficult to forecast as to how any new laws, regulations or standards or future amendments will affect the issuers of REITs and the sector as a whole. Furthermore, no assurance can be given that the regulatory system will not change in a way that will impair the ability of the Issuers to comply with the regulations, conduct the business, compete effectively or make distributions.
- Scheme's performance may differ from the benchmark index to the extent of the investments held in the debt segment, as per the investment pattern indicated under normal circumstances.

##### **5. Risk factors associated with investing in Fixed Income Securities**

The Scheme will invest not less than 95% of its corpus in the securities representing the Underlying Index as this Scheme endeavours to earn returns that correspond to the total returns represented by the Underlying Index. The Scheme will have insignificant cash or debt/money market investments.

Therefore, the Scheme is not significantly susceptible to risks associated with debt/money markets.

- The Net Asset Value (NAV) of the Scheme, to the extent invested in Debt and Money Market instruments, will be affected by changes in the general level of interest rates. The NAV of the Scheme is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.
- Money market instruments, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the security is finally sold.
- Investments in money market instruments involve credit risk commensurate with short term rating of the issuers.
- Investment in Debt instruments are subject to varying degree of credit risk or default (i.e. the risk of an issuer's inability to meet interest or principal payments on its obligations) or any other issues, which may have their credit ratings downgraded. Changes in financial conditions of an issuer, changes in economic and political conditions in general, or changes in economic or and political conditions specific to an issuer, all of which are factors that may have an adverse impact on an issuer's credit quality and security values. The Investment Manager will endeavour to manage credit risk through in-house credit analysis. This may increase the risk of the portfolio.
- Government securities where a fixed return is offered run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. The new level of interest rate is determined by the rates at which government raises new money and/or the price levels at which the market is already dealing in existing securities. The price-risk is not unique to Government Securities. It exists for all fixed income securities. However, Government Securities are unique in the sense that their credit risk generally remains zero. Therefore, their prices are influenced only by movement in interest rates in the financial system.
- The Scheme's performance may differ from the benchmark index to the extent of the investments held in the debt segment, as per the investment pattern indicated under normal circumstances.
- **Prepayment Risk:** Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the Scheme to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the Scheme.
- **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme are reinvested. The additional income from reinvestment is the "interest on interest"

component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.

- **Settlement risk:** Different segments of Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Scheme are uninvested, and no return is earned thereon. The inability of the Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme's portfolio, due to the absence of a well developed and liquid secondary market for debt securities, may result at times in potential losses to the Scheme in the event of a subsequent decline in the value of securities held in the Scheme's portfolio.

#### **6. Risk factors associated with investment in Tri-Party Repo**

The Mutual Fund is a member of securities segment and Triparty Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus, reducing the settlement and counterparty risks considerably for transactions in the said segments. The members are required to contribute an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL).

As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members. Thus, the Scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member).

CCIL shall maintain two separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from Triparty Repo trades. The mutual fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the contribution of the mutual fund is called upon to absorb settlement/ default losses of another member by CCIL, as a result the Scheme may lose an amount equivalent to its contribution to the default fund.

#### **7. Risk factors associated with investing in Derivatives**

- The AMC, on behalf of the Scheme may use various derivative products, from time to time, in an attempt to protect the value of the portfolio and enhance Unit holders' interest. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Other risks include, the risk of mispricing or improper

valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.
- The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.
- **Credit Risk:** The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a derivative transaction.
- **Market Risk:** Market movements may adversely affect the pricing and settlement of derivatives.
- **Illiquidity risk:** This is the risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.

#### **8. Risks associated with Securities Lending**

As with other modes of extensions of credit, there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The scheme may not be able to sell lent out securities, which can lead to temporary illiquidity & loss of opportunity.

#### **9. Risk factors associated for investments in Mutual Fund Schemes**

The Scheme may invest in units of Liquid and Overnight Schemes for liquidity purposes only.

1. Movements in the Net Asset Value (NAV) of these Schemes may impact the performance. Any change in the investment policies or fundamental attributes of these Schemes will affect the performance of the Scheme to the extent of investment in such schemes.
2. Redemptions by in these Schemes would be subject to applicable exit loads.

#### **10. General Risk Factors**

- Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. The NAV of the Units of the Scheme can go up or down because of various factors that affect the capital markets in general.
- As the liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the

Mutual Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or restructuring of the Scheme. In view of the above, the Trustee has the right, in its sole discretion, to limit redemptions (including suspending redemptions) under certain circumstances, as per the prescribed SEBI guidelines issued from time to time.

- At times, due to the forces and factors affecting the capital market, the Scheme may not be able to invest in securities falling within its investment objective resulting in holding the monies collected by it in cash or cash equivalent or invest the same in other permissible securities / investments amounting to substantial reduction in the earning capability of the Scheme. The Scheme may retain certain investments in cash or cash equivalents for its day-to-day liquidity requirements.
- Performance of the Scheme may be affected by political, social, and economic developments, which may include changes in government policies, diplomatic conditions, and taxation policies.

#### **11. Disclaimer of indices**

**Nifty India Consumption Index (TRI):** The Scheme of HDFC Mutual Fund (the "Product") is not sponsored, endorsed, sold or promoted by NSE INDICES LTD. NSE INDICES LTD does not make any representation or warranty, express or implied, to the owners of the Product or any member of the public regarding the advisability of investing in securities generally or in the Product particularly or the ability of the Nifty India Consumption Index (TRI) to track general stock market performance in India. The relationship of NSE INDICES LTD to the Licensee is only in respect of the licensing of certain trademarks and trade names of its Index which is determined, composed and calculated by NSE INDICES LTD without regard to the Licensee or the Product. NSE INDICES LTD does not have any obligation to take the needs of the Licensee or the owners of the Product into consideration in determining, composing or calculating Nifty India Consumption Index (TRI). NSE INDICES LTD is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Product to be issued or in the determination or calculation of the equation by which the Product is to be converted into cash. NSE INDICES LTD has no obligation or liability in connection with the administration, marketing or trading of the Product.

NSE INDICES LTD does not guarantee the accuracy and/or the completeness of the Nifty India Consumption Index (TRI), or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. NSE INDICES LTD does not make any warranty, express or implied, as to results to be obtained by the Licensee owners of the product, or any other person or entity from the use of the Nifty India Consumption Index (TRI) or any data included therein. NSE INDICES LTD makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, NSE INDICES LTD expressly disclaim any and all liability for any damages or losses arising out of or related

	<p>to the Product, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.</p> <p>An investor, by subscribing or purchasing an interest in the Product, will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.</p> <p><b>RISK MITIGATION STRATEGIES</b></p> <p>The Scheme aims to track the Nifty India Consumption Index (TRI) before expenses. The index will be tracked on a regular basis and changes to the constituents or their weights, if any, will be replicated in the underlying portfolio with the purpose of minimizing tracking errors.</p> <p>The Scheme being a passive investment carries lesser risk as compared to active fund management. The portfolio would follow the index and therefore the level of stock concentration in the portfolio and its volatility would be the same as that of the index, subject to tracking errors. Thus, there would be no additional element of volatility or stock concentration on account of fund manager decisions. The fund manager would endeavor to keep cash levels at the minimal to control tracking errors.</p> <p>The Risk Mitigation strategy revolves around reducing the tracking error to the least possible through regular rebalancing of the portfolio, taking into account the change in weights of stocks in the Underlying Index as well as the incremental inflows into / redemptions from the Scheme.</p> <p>While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.</p>
<p><b>Detailed disclosures regarding the index, index eligibility criteria, methodology, index service provider, index constituents, impact cost of the constituents</b></p>	<p><b><u>About Nifty India Consumption Index (TRI)</u></b></p> <p><b>Introduction</b></p> <p>The Nifty India Consumption Index is designed to reflect the behaviour and performance of a diversified portfolio of companies representing the domestic consumption sector which includes sectors like Consumer Non-durables, Healthcare, Auto, Telecom Services, Pharmaceuticals, Hotels, Media &amp; Entertainment, etc. The Nifty India Consumption Index comprises of 30 companies listed on the National Stock Exchange (NSE).</p> <p><b><u>Index Construction &amp; Review Methodology:</u></b></p> <p><b>Eligible Universe:</b></p> <p>The eligible universe includes:</p> <ul style="list-style-type: none"> <li>• Companies should form part of Nifty 500 at the time of review.</li> <li>• In case of reconstitution of child indices, latest index composition including most recent changes in respective parent index whether announced or yet to be announced shall be considered. Child indices are defined as those indices where constituents are selected from a list of any other index.</li> <li>• Minimum number of stocks within the index should be 10.</li> <li>• In case, the number of eligible stocks within Nifty 500 falls below 10, then deficit number of stocks shall be selected from the universe of stocks ranked within top 800 based on both average daily turnover and average</li> </ul>

daily full market capitalisation based on previous six months period data used for index rebalancing of Nifty 500

- Further, in case the number of eligible stocks in the universe is still less than 10, then the deficit number of stocks shall be selected from the universe of stocks ranked within top 1000, top 1100, top 1200 and so on, based on both average daily turnover and average daily full market capitalization based on previous six months period data, until at least 10 eligible stocks are obtained, subject to fulfilment of other inclusion criteria. If the number of eligible stocks is still less than 10, then the index may have less than 10 constituents
- Companies should form part of respective theme of indices as mentioned above
- Companies will be included if free-float market capitalisation is at least 1.5 times the free-float market capitalization of the smallest index constituent in respective index
- Companies with domestic operating revenue of more than 50% are considered eligible for inclusion in the index.

**Stock selection criteria:**

A comprehensive list of basic industries eligible to be included in this index are as follows:

2/3 Wheelers
Airline
Amusement Parks/ Other Recreation
Animal Feed
Breweries & Distilleries
Ceramics
Cigarettes & Tobacco Products
Consumer Electronics
Cycles
Dairy Products
Digital Entertainment
Diversified consumer products
Diversified FMCG
Diversified Retail
Edible Oil
Education
E-Learning
Electronic Media
E-Retail/ E-Commerce
Film Production, Distribution & Exhibition
Footwear
Furniture, Home Furnishing
Garments & Apparels
Gems, Jewellery And Watches
Glass - Consumer
Granites & Marbles
Healthcare Service Provider
Hospital
Hotels & Resorts
Household Appliances
Household Products

Houseware
Integrated Power Utilities
Internet & Catalogue Retail
Leather And Leather Products
Leisure Products
Media & Entertainment
Meat Products including Poultry
Other Beverages
Other Consumer Services
Other Food Products
Other Textile Products
Packaged Foods
Paints
Passenger Cars & Utility Vehicles
Personal Care
Pharmaceuticals
Pharmacy Retail
Plastic Products - Consumer
Plywood Boards/ Laminates
Power - Transmission
Power Distribution
Print Media
Printing & Publication
Railways
Real Estate related services
Residential, Commercial Projects
Restaurants
Sanitary Ware
Seafood
Shipping
Speciality Retail
Stationary
Sugar
Tea & Coffee
Telecom - Cellular & Fixed line services
Tour, Travel Related Services
TV Broadcasting & Software Production
Web based media and service
Wellness

**Constituent Weights and Capping:**

The weight of the stocks within the index are based on their free-float market capitalization. Weights of constituents of Nifty India Consumption index are capped at 10% (maximum capping limit). Aggregate weight of top 3 stocks is capped at 62%. The weight of stocks may drift between two rebalancing periods due to movement in the stock prices. Capping is applied on a quarterly basis in March, June, September and December.

Weights of constituents of Nifty India Consumption index are capped at 10% (maximum capping limit).

**Reconstitution criteria:**

- Index reconstitution will be done on a semi-annual basis in March and September along with the Nifty broad-based indices based on data for 6 months, ending in January and July respectively.
- Companies will be included if free-float market capitalisation is at least 1.5 times the free float market capitalization of the smallest index constituent in respective index
- Further on a quarterly basis, indices will be screened for compliance with the portfolio concentration norms for ETFs/Index funds announced by SEBI on January 10, 2019. In case of non-compliance, suitable corrective measures will be taken to ensure compliance with the norms.

**Index Governance:**

The indices are calculated and administered by NSE Indices Limited. A professional team at NSE Indices Limited manages the indices, according to a detailed control and accountability framework, that includes this methodology and incorporates the guidance of the NSE Indices Index Maintenance Sub-Committee and with oversight from the NSE Indices Oversight Committee.

**Constituent Details and Weightages and Impact Cost (as on Dec 31, 2025):**

SR. NO.	SECURITY NAME	WEIGHTAGE (%)	IMPACT COST (%)
1	ADANI POWER LTD.	1.61%	0.03%
2	APOLLO HOSPITALS ENTERPRISE LTD.	2.07%	0.01%
3	ASIAN PAINTS LTD.	3.58%	0.01%
4	BAJAJ AUTO LTD.	2.96%	0.02%
5	BHARTI AIRTEL LTD.	9.95%	0.01%
6	BRITANNIA INDUSTRIES LTD.	2.04%	0.02%
7	DIXON TECHNOLOGIES (INDIA) LTD.	1.42%	0.02%
8	DLF LTD.	1.26%	0.03%
9	AVENUE SUPERMARTS LTD.	1.59%	0.03%
10	DUMMY HINDUSTAN UNILEVER LTD.	0.10%	-%
11	EICHER MOTORS LTD.	2.88%	0.01%
12	ETERNAL LTD.	5.72%	0.02%
13	GODREJ CONSUMER PRODUCTS LTD.	1.41%	0.03%

14	HAVELLS INDIA LTD.	1.03%	0.03%
15	HERO MOTOCORP LTD.	2.14%	0.02%
16	HINDUSTAN UNILEVER LTD.	5.88%	0.01%
17	INDIAN HOTELS CO. LTD.	1.86%	0.02%
18	INTERGLOBE AVIATION LTD.	3.27%	0.02%
19	ITC LTD.	9.92%	0.02%
20	MAHINDRA & MAHINDRA LTD.	9.48%	0.01%
21	MARUTI SUZUKI INDIA LTD.	6.27%	0.02%
22	MAX HEALTHCARE INSTITUTE LTD.	2.22%	0.03%
23	INFO EDGE (INDIA) LTD.	1.48%	0.03%
24	NESTLE INDIA LTD.	2.64%	0.03%
25	TATA CONSUMER PRODUCTS LTD.	2.22%	0.02%
26	TATA POWER CO. LTD.	1.82%	0.02%
27	TITAN COMPANY LTD.	4.79%	0.02%
28	TRENT LTD.	2.72%	0.02%
29	TVS MOTOR COMPANY LTD.	2.50%	0.02%
30	UNITED SPIRITS LTD.	1.22%	0.03%
31	VARUN BEVERAGES LTD.	1.92%	0.03%

**Portfolio Concentration Norms for Equity ETFs and Index Funds as per SEBI guidelines**

In accordance with clause 3.4 of Master Circular, the Index shall comply with the following portfolio concentration norms:

- (a) The Index shall have a minimum of 10 stocks as its constituents.
- (b) No single stock shall have more than 35% weight in the Index.
- (c) The weightage of the top three constituents of the Index, cumulatively shall not be more than 65% of the Index.
- (d) The individual constituent of the Index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months.

The Scheme shall monitor compliance with the aforesaid norms by the Index at the end of every calendar quarter.

Further, the updated constituents of the Index will be made available on the website of the Fund.

**Investor Services**

Contact details for general service requests:

- call at 1800 3010 6767/1800 419 7676 (toll free), or

	<ul style="list-style-type: none"> <li>• e-mail: <a href="mailto:hello@hdfcfund.com">hello@hdfcfund.com</a> or</li> <li>• Investors may contact / visit any of the Investor Service Centres (ISCs) of the AMC; or</li> <li>• post their feedback/suggestions on our website <a href="http://www.hdfcfund.com">www.hdfcfund.com</a> under the section 'Contact Us' → Get in touch → Write to us</li> </ul> <p>Contact details for complaints resolution:</p> <ul style="list-style-type: none"> <li>• call at 1800 3010 6767/1800 419 7676 (toll free)</li> <li>• e-mail: <a href="mailto:hello@hdfcfund.com">hello@hdfcfund.com</a></li> </ul> <p>For any grievances with respect to transactions through NSE/BSE, the investors/Unit Holders should approach the investor grievance cell of the respective stock exchange.</p>
<b>Scheme Specific Disclosures:</b>	
<b>1. Timelines for deployment of Funds collected during New Fund Offer (NFO) period</b>	<p>In accordance with SEBI Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2025/23 dated February 27, 2025, the AMC shall deploy the funds garnered during the NFO within 30 Business Days from the date of allotment of units.</p> <p>In an exceptional case, if the AMC is not able to deploy the funds as per the aforesaid timeline, justification in writing, including details of efforts taken to deploy the funds shall be placed before the Investment Committee of the AMC. The Investment Committee, after examining the root cause for delay in deployment, may extend the timeline by 30 Business Days. The Investment Committee shall also recommend on how to ensure deployment within 30 Business Days going forward and monitor the same. However, an extension shall not be granted if the Scheme's assets are liquid and readily available.</p> <p>In case the funds are not deployed as per the aforesaid mandated plus extended timelines, the AMC shall follow the requirements specified under the aforesaid circular including reporting the deviation to Trustees at each stage. The Trustees shall monitor the deployment of funds collected in NFO and take steps, as may be required, to ensure that the funds are deployed within a reasonable timeframe.</p>
<b>2. Portfolio rebalancing</b>	<p><b>Change in Asset Allocation Pattern/ Portfolio Rebalancing</b></p> <p><b>Rebalancing of deviation due to short term defensive consideration:</b></p> <p>Any alteration in the investment pattern will be for a short term on defensive considerations as per Clause 1.14.1.2 of SEBI Master Circular dated June 27, 2024, the intention being always to protect the interests of the Unit Holders and the Scheme shall rebalance the portfolio within 7 calendar days.</p> <p><b>Portfolio rebalancing in case of passive breach</b></p> <p>In line with Clause 3.5.3.11 of SEBI Master Circular dated June 27, 2024, in case of change in constituents of the index due to periodic review, the portfolio of Scheme shall be rebalanced within 7 calendar days. Further, any transactions undertaken in the portfolio of Index Schemes to meet the redemption and subscription obligations shall be done ensuring that post such transactions replication of the portfolio with the index is maintained at all points of time.</p> <p>In the event of involuntary corporate action, the scheme shall dispose the security not forming part of the underlying index within 7 calendar days from the date of allotment/listing.</p>

<p><b>3. Disclosure w.r.t investments by key personnel and AMC directors including regulatory provisions</b></p>	<p><b>Aggregate investment in the Scheme by Fund Managers (As on December 31, 2025):</b></p> <table border="1" data-bbox="501 282 1520 456"> <thead> <tr> <th rowspan="2">Sr.No.</th> <th rowspan="2">Category of Persons Fund Manager(s)</th> <th colspan="2">Net Value*</th> <th rowspan="2">Market Value (in Rs.)</th> </tr> <tr> <th>Units</th> <th>NAV per unit</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Nandita Menezes</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>2</td> <td>Arun Agarwal</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>For any other disclosure w.r.t investments by key personnel and AMC directors including regulatory provisions in this regard kindly refer SAI.</p>	Sr.No.	Category of Persons Fund Manager(s)	Net Value*		Market Value (in Rs.)	Units	NAV per unit	1	Nandita Menezes	-	-	-	2	Arun Agarwal	-	-	-
Sr.No.	Category of Persons Fund Manager(s)			Net Value*			Market Value (in Rs.)											
		Units	NAV per unit															
1	Nandita Menezes	-	-	-														
2	Arun Agarwal	-	-	-														
<p><b>4. Taxation</b></p>	<p>For details on taxation please refer to the clause on Taxation in the SAI.</p>																	
<p><b>5. Associate Transactions</b></p>	<p>For detailed disclosure, kindly refer SAI.</p>																	
<p><b>6. Listing and transfer of units</b></p>	<p>Being open ended Scheme under which Sale and Redemption of Units will be made on continuous basis by the Mutual Fund (subject to completion of lock-in period, if any), the Units of the Scheme are not proposed to be listed on any stock exchange. However, the Mutual Fund may at its sole discretion list the Units under the Scheme on one or more stock exchange at a later date.</p> <p>The Units of the Schemes in Demat mode are freely transferable. Units held in Statement of Account (SoA) mode may be transferred subject to prevailing AMFI / SEBI guidelines from time to time.</p> <p>If an applicant desires to transfer Units held in physical mode for e.g. in statement of account form, the AMC shall, upon receipt of valid and complete request for transfer together with the relevant documents, register the transfer within 30 days. Provided that the transferor(s) and the transferee(s) will have to comply with the procedure for transfer as may be laid down by the AMC or as required under the prevailing law from time to time including payment of stamp duty for transfer of Units, etc.</p> <p>Units held in Demat form are transferable in accordance with the provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as may be amended from time to time.”</p> <p>For more details, refer SAI.</p>																	
<p><b>7. Dematerialization of units</b></p>	<p>The Unit holders would have an option to hold the Units in demat form or account statement (non-demat) form. Units held in Demat Form are freely transferable. The Applicant intending to hold Units in demat form will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units.</p>																	
<p><b>8. Minimum Target amount</b> (This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the</p>	<p>The minimum target amount to be raised during the NFO Period shall be Rs. 5 Crore.</p> <p>In case the Mutual Fund fails to collect the minimum subscription amount of Rs. 5 Crore under the Scheme, the Mutual Fund and the AMC shall be liable to refund the subscription amount to the Applicants of the Scheme.</p>																	

investors would be refunded the amount invested without any return.)	
<b>9. Maximum Amount to be raised (if any)</b>	There is no maximum subscription (target) amount for the Scheme to be raised and therefore, subject to the applications being in accordance with the terms of this offer, full and firm allotment will be made to the Unit holders. However, any application for subscription may be rejected due to unavailability of underlying instruments, etc.
<b>10. Dividend Policy (IDCW)</b>	Not Applicable as Scheme currently does not offer IDCW Option.
<b>11. Allotment (Detailed procedure)</b>	<p>All Applicants whose monies towards purchase of Units have been realised by the Fund will receive a full and firm allotment of Units, provided also the applications are complete in all respects and are found to be in order. Any application for subscription of units may be rejected if found invalid, incomplete or due to unavailability of underlying securities, etc.</p> <p>For applicants applying through '<b>APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA)</b>', during NFO, on allotment, the amount will be unblocked in their respective bank accounts and account will be debited only to the extent required to pay for allotment of Units applied in the application form.</p> <p>Units will be allotted upto 3 decimals. Face Value per unit of all Plans/ Options under the Scheme is Rs. 10.</p> <p>Note: Allotment of units will be done after deduction of applicable stamp duty, if any.</p> <p>Applicants under the Scheme will have an option to hold the Units either in physical form (i.e. account statement) or in dematerialized form. Accordingly, the AMC shall allot units either in physical form (i.e. account statement) or in dematerialized form within 5 working days from the date of closure of the NFO period/ receiving transactions request during continuous offer period.</p> <p>The AMC shall issue units in dematerialized form to a unit holder in a scheme within two working days of the receipt of request from the unit holder (holding units in account statement mode).</p> <p>All Units will rank pari passu, among Units within the same Option in the Scheme concerned as to assets and liabilities, earnings and the receipt of IDCW distributions, if any, as may be declared by the Trustee.</p> <p>Face Value per unit of all Plans/ Options under the Scheme is Rs.10.</p> <p>The Unit holder may request for a physical account statement without any charges by writing to/calling the AMC/ISC/RTA. The Mutual Fund/ AMC shall dispatch an account statement within 5 working days from the date of the receipt of request from the Unit holder.</p>
<b>12. Refund</b>	In case the Scheme fails to collect the minimum subscription amount of Rs. 5 Crore, the Mutual Fund and the AMC shall be liable to refund the subscription amount to the Applicants of the Scheme. If application is rejected, full amount will be refunded.

	<p>Refunds of subscription money, if any, shall be completed within 5 working days from the closure of the New Fund Offer Period. No Interest will be payable by the AMC on any subscription money refunded within 5 working days from the closure of the New Fund Offer Period. Interest on subscription amount will be payable for amounts refunded by the AMC later than 5 working days from the closure of the New Fund Offer Period at the rate of 15% per annum for the period in excess of 5 working days and will be charged to the AMC.</p> <p>Refund payments may be made through electronic modes such as RTGS, NEFT, IMPS, direct credit, etc. as permitted by RBI from time to time or in any other manner specified by SEBI from time to time. Payment will be made favouring the Sole / First Applicant.</p> <p><b>Note:</b> For the purpose of allotment of units / refund of monies under NFO the term "working days" shall include Business Days but shall not include Holidays.</p>
<p><b>13. Who can invest</b> This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile</p>	<p>The following persons (i.e. an indicative list of persons) are eligible and may apply for subscription to the Units of the Scheme provided they are not prohibited by any law/Constitutive documents governing them:</p> <ol style="list-style-type: none"> <li>1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis;</li> <li>2. Karta of Hindu Undivided Family (HUF);</li> <li>3. Minor (as the first and the sole holder only) through a natural guardian (i.e. father or mother, as the case may be) or a court appointed legal guardian. There shall not be any joint holding in a minor's folio. Payment for investment shall be accepted from the bank account of the minor, parent or legal guardian of the minor or from a joint account of the minor with the parent or legal guardian.</li> <li>4. Partnership Firms &amp; Limited Liability Partnerships (LLPs);</li> <li>5. Companies, Bodies Corporate, Public Sector Undertakings, Association of Persons or bodies of individuals and societies registered under the Societies Registration Act, 1860, Co-Operative Societies registered under the Co-Operative Societies Act, 1912, One Person Company;</li> <li>6. Banks &amp; Financial Institutions;</li> <li>7. Mutual Funds/Alternative Investment Funds registered with SEBI;</li> <li>8. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private trusts authorised to invest in mutual fund schemes under their trust deeds;</li> <li>9. Non-resident Indians (NRIs)/Persons of Indian Origin residing abroad (PIO)/Overseas Citizen of India (OCI) on repatriation basis or on non-repatriation basis;</li> <li>10. Foreign Portfolio Investors (FPI) registered with SEBI in accordance with applicable laws;</li> <li>11. Army, Air Force, Navy and other paramilitary units and bodies created by such institutions;</li> </ol>

12. Council of Scientific and Industrial Research, India;
13. Multilateral Financial Institutions/Bilateral Development Corporation Agencies/Bodies Corporate incorporated outside India with the permission of Government of India/Reserve Bank of India;
14. Other Schemes of HDFC Mutual Fund subject to the conditions and limits prescribed by SEBI (MF) Regulations;
15. Trustee, AMC, Sponsor and their associates may subscribe to Units under the Scheme;
16. Such other category of investors as may be decided by the AMC/Trustee from time to time provided their investment is in conformity with the applicable laws and SEBI (MF) Regulations.

**Note:**

1. Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) residing abroad/Overseas Citizens of India (OCI)/Foreign Portfolio Investors (FPIs) have been granted a general permission by Reserve Bank of India under Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 for investing in/redeeming units of the mutual funds subject to conditions set out in the aforesaid regulations.
2. In case of application(s) made by Individual Investors under a Power of Attorney, the original Power of Attorney or a certified true copy duly notarised should be submitted. In case of applications made by Non-Individual Investors, the authorized signatories/officials of Non-Individual investors should sign the application under their official designation and as per the authority granted to them under their Constitutive Documents/Board resolutions, etc. A list of specimen signatures of the authorized officials, duly certified/attested should also be attached to the Application Form. The Fund/AMC/Trustees shall deem that the investments made by the Investors are not prohibited by any law/Constitutive documents governing them and they possess the necessary authority to invest/transact.
3. Investors desiring to invest/transact in mutual fund schemes are required to mandatorily furnish PAN (PAN of the guardian in case minor does not have a PAN) and comply with the KYC norms applicable from time to time. Under the KYC norms, Investors are required to provide prescribed documents for establishing their identity and address including in case of non-individuals copy of the Memorandum and Articles of Association/bye-laws/trust deed/partnership deed/Certificate of Registration along with the proof of authorization to invest, as applicable, to the KYC Registration Agency (KRA) registered with SEBI. The Fund/AMC/Trustees/other intermediaries will rely on the declarations/affirmations provided by the Investor(s) in the Application/Transaction Form(s) and the documents furnished to the KRA that the Investor(s) is permitted/authorised by the Constitution document/their Board of Directors etc. to make the investment/transact.

	<p>Further, the Investor shall be liable to indemnify the Fund/AMC/Trustee/other intermediaries in case of any dispute regarding the eligibility, validity and authorization of the transactions and/or the applicant who has applied on behalf of the Investors. The Fund/AMC/Trustee reserves the right to call for such other information and documents as may be required by it in connection with the investments made by the investor. Where the Units are held by a Unit holder in breach of any Regulations, AMC/the Fund may effect compulsory redemption of such units.</p> <p>4. Returned cheques are liable not to be presented again for collection, and the accompanying application forms are liable to be rejected. In case the returned cheques are presented again, the necessary charges are liable to be debited to the investor.</p> <p>5. The Trustee reserves the right to recover from an investor any loss caused to the Scheme on account of dishonour of cheques issued by the investor for purchase of Units of this Scheme.</p> <p>6. <b>No request for withdrawal of application will be allowed after the closure of New Fund Offer Period.</b></p> <p>7. Subject to the SEBI (MF) Regulations, the Trustee may inter-alia reject any application for the purchase of Units if the application is invalid or incomplete or non-permissible under law or if the AMC/Trustee for any other reason to believe that it would be in the best interest of the Scheme or its Unitholders to accept such an application.</p>
<p><b>14. Who cannot invest</b></p>	<p>The persons/entities as specified under section “<b>Who Can Invest?</b>” shall not be eligible to invest in the Scheme, if such persons/entities are:</p> <p>1. United States Person (U.S. person*) as defined under the extant laws of the United States of America, except the following:</p> <p>a. NRIs/PIOs may invest/transact, in the Scheme, when present in India, as lump sum subscription, redemption and/or switch transaction, including registration of systematic transactions only through physical form and upon submission of such additional documents/undertakings, etc., as may be stipulated by AMC/Trustee from time to time and subject to compliance with all applicable laws and regulations prior to investing in the Scheme.</p> <p>b. FPIs may invest in the Scheme as lump sum subscription and/or switch transaction (other than systematic transactions) through submission of physical form in India, subject to compliance with all applicable laws and regulations and the terms, conditions, and documentation requirements stipulated by the AMC/Trustee from time to time, prior to investing in the Scheme.</p> <p>The Trustee/AMC reserves the right to put the transaction requests received from such U.S. person on hold/reject the transaction request/redeem the units, if allotted, as the case may be, as and when identified by the AMC that the same is not in compliance with the applicable laws and/or the terms and</p>

	<p>conditions stipulated by Trustee/AMC from time to time. Such redemptions will be subject to applicable taxes and exit load, if any.</p> <p>The physical application form(s) for transactions (in non-demat mode) from such U.S. person will be accepted ONLY at the Investor Service Centres (ISCs) of HDFC Asset Management Company Limited (HDFC AMC). Additionally, such transactions in physical application form(s) will also be accepted through Distributors and other platforms subject to receipt of such additional documents/undertakings, etc., as may be stipulated by AMC/Trustee from time to time from the Distributors/Investors.</p> <p>2. Residents of Canada;</p> <p>3. Investor residing in any Financial Action Task Force (FATF) designated High Risk jurisdiction.</p> <p>*The term "U.S. person" means any person that is a U.S. person within the meaning of Regulations under the Securities Act of 1933 of U.S. or as defined by the U.S. Commodity Futures Trading Commission or as per such further amended definitions, interpretations, legislations, rules etc, as may be in force from time to time.</p>
<p><b>15. The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.</b></p>	<p>Presently, the AMC does not intend to reissue the repurchased units. However, the Trustee reserves the right to reissue the repurchased units at a later date after issuing adequate public notices and taking approvals, if any, from SEBI.</p>
<p><b>16. Restrictions, if any, on the right to freely retain or dispose of units being offered.</b></p>	<p><b>RIGHT TO RESTRICT REDEMPTION AND / OR SUSPEND REDEMPTION OF THE UNITS</b> (as per clause 1.12 of Master Circular):</p> <p>The Fund at its sole discretion reserves the right to restrict Redemption (including switch-out) of the Units (including Plan /Option) of the Scheme of the Fund upon occurrence of the below mentioned events for a period not exceeding ten (10) working days in any ninety (90) days period subject to approval of the Board of Directors of the AMC and the Trustee. The restriction on Redemption (including switch-out) shall be applicable where the Redemption (including switch-out) request is for a value above Rs. 2,00,000/- (Rupees Two Lakhs). Further, no restriction shall be applicable to the Redemption / switch-out request upto Rs. 2,00,000/- (Rupees Two Lakhs). It is further clarified that, in case of redemption request beyond Rs. 2,00,000/- (Rupees Two Lakhs), no restriction shall be applicable on first Rs. 2,00,000/- (Rupees Two Lakhs).</p> <p>The Trustee / AMC reserves the right to restrict Redemption or suspend Redemption of the Units in the Scheme of the Fund on account of circumstances leading to a systemic crisis or event(s) that severely constrict market liquidity or the efficient functioning of the markets. A list of such circumstances under which the restriction on Redemption or suspension of Redemption of the Units in the Scheme of the Fund may be imposed are as follows:</p> <p>1. Liquidity issues- when market at large becomes illiquid affecting almost all securities rather than any issuer specific security; or</p>

	<ol style="list-style-type: none"> <li>2. Market failures / Exchange closures; or</li> <li>3. Operational issues; or</li> <li>4. If so directed by SEBI.</li> </ol> <p>It is clarified that since the occurrence of the abovementioned eventualities have the ability to impact the overall market and liquidity situation, the same may result in exceptionally large number of Redemption requests being made and in such a situation the indicative timelines, if any mentioned by the Fund in the scheme offering documents, for processing of requests for Redemption may not be applicable.</p> <p>Any restriction on Redemption or suspension of Redemption of the Units in the Scheme(s) of the Mutual Fund shall be made applicable only after specific approval of the Board of Directors of the AMC and Trustee Company and thereafter, immediately informing the same to SEBI.</p> <p>The AMC / Trustee reserves the right to change / modify the provisions of right to restrict Redemption and / or suspend Redemption of the Units in the Scheme of the Fund.</p>
<p><b>17. Cut off timing for subscriptions/ redemptions/ switches</b></p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance</p>	<p>The below cut-off timings and applicability of NAV shall be applicable in respect of valid applications received at the Official Point(s) of Acceptance on a Business Day (During Continuous Offer Period):</p> <p><b>A] For Purchase (including switch-in) of any amount:</b></p> <ul style="list-style-type: none"> <li>• In respect of valid applications received upto 3.00 p.m. and where the funds for the entire amount are available for utilization before the cut- off time i.e. credited to the bank account of the Scheme before the cut-off time - the closing NAV of the day shall be applicable.</li> <li>• In respect of valid applications received after 3.00 p.m. and where the funds for the entire amount are credited to the bank account of the Scheme either at any time on the same day or before the cut-off time of the next Business Day i.e. available for utilization before the cut-off time of the next Business Day - the closing NAV of the next Business Day shall be applicable.</li> <li>• Irrespective of the time of receipt of application, where the funds for the entire amount are credited to the bank account of the Scheme before the cut-off time on any subsequent Business Day i.e. available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day shall be applicable.</li> </ul> <p><b>B] For Switch-ins of any amount:</b></p> <p>For determining the applicable NAV, the following shall be ensured:</p> <ul style="list-style-type: none"> <li>• Application for switch-in is received before the applicable cut-off time.</li> <li>• Funds for the entire amount of subscription/purchase as per the switch-in request are credited to the bank account of the Scheme before the cut-off time.</li> <li>• The funds are available for utilization before the cut-off time.</li> <li>• In case of 'switch' transactions from one scheme to another, the allocation shall be in line with redemption payouts.</li> </ul> <p>In case of switches, the request should be received on a day which is a Business Day for the Switch-out scheme. Redemption for switch-out shall be processed at the applicable NAV as per cut-off timing. Switch-in will be processed at the Applicable NAV (on a Business Day) based on realization of funds as per the redemption pay-out cycle for the switch-out scheme.</p>

	<p>For investments through systematic investment routes such as Systematic Investment Plans (SIP), Flex SIP, Systematic Transfer Plans (STP), Flex-STP, Swing STP, Transfer of Income Distribution cum Capital Withdrawal (IDCW) Plan facility (TIP), etc. the units will be allotted as per the closing NAV of the day on which the funds are available for utilization within applicable cut-off time by the Target Scheme irrespective of the installment date of the SIP, STP or record date of IDCW etc.</p> <p>While the AMC will endeavour to deposit the payment instruments accompanying investment application submitted to it with its bank expeditiously, it shall not be liable for delay in realization of funds on account of factors beyond its control such as clearing / settlement cycles of the banks. Since different payment modes have different settlement cycles including electronic transactions (as per arrangements with Payment Aggregators / Banks / Exchanges etc), it may happen that the investor's account is debited, but the money is not credited within cut-off time on the same date to the Scheme's bank account, leading to a gap / delay in Unit allotment. Investors are therefore urged to use the most efficient electronic payment modes to avoid delays in realization of funds and consequently in Unit allotment.</p> <p><b>C] For Redemption (including switch-out) applications:</b></p> <ul style="list-style-type: none"> <li>• In respect of valid applications received upto 3 p.m. on a Business Day by the Fund, same day's closing NAV shall be applicable.</li> <li>• In respect of valid applications received after 3 p.m. on a Business Day by the Fund, the closing NAV of the next Business Day shall be applicable.</li> </ul> <p><b>Transactions through online facilities / electronic modes:</b></p> <p>The time of transaction done through various online facilities / electronic modes offered by the AMC, for the purpose of determining the applicability of NAV, would be the time when the request for purchase / sale / switch of units is received in the servers of AMC/RTA.</p> <p>The AMC has the right to amend cut off timings subject to SEBI (MF) Regulations for the smooth and efficient functioning of the Scheme.</p>
<p><b>18. Minimum balance to be maintained and consequences of non-maintenance</b></p>	<p>There is no minimum balance requirement.</p>
<p><b>19. Accounts Statements</b></p>	<p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days from the closure of the NFO period/ receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).</p> <p>A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month on registered email address or before 15th of the succeeding month. However, if the investor wishes to opt for physical copy may request for the same.</p> <p>Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 21st day of succeeding month, to all investors providing</p>

	<p>the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable.</p> <p><b>For further details, refer SAI.</b></p>
<b>20. Dividend/ IDCW</b>	Not applicable as the Scheme currently does not offer IDCW Option.
<b>21. Redemption</b>	<p>The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase or such other timelines as may be specified by SEBI / AMFI from time to time in case of exceptional circumstances or otherwise.</p> <p>For details refer para 14.1.3 of Master Circular.</p>
<b>22. Bank Mandate</b>	<p><b>BANK DETAILS</b></p> <p>In order to protect the interest of Unit holders from fraudulent encashment of redemption / IDCW cheques, SEBI has made it mandatory for investors to provide their bank details viz. name of bank, branch, address, account type and number, etc. to the Mutual Fund. Payment will be made only in the Bank Account registered with the Mutual Fund. In case of units held in demat mode, payment will be made to the bank account linked to the demat account. The bank account registered in the folio of a minor should be that of the minor or should be a joint account of the minor with the guardian. Applications without complete bank details shall be rejected. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques/ warrants and/ or any delay/ loss in transit.</p> <p><b>Multiple Bank Accounts Registration</b></p> <p>The AMC/ Mutual Fund provides a facility to the investors to register multiple bank accounts (currently upto 5 for Individuals and 10 for Non - Individuals) for receiving redemption/ IDCW proceeds etc. by providing necessary documents. Investors must specify any one account as the "Default Bank Account".</p> <p><b>Change in Bank Account</b></p> <p>For investors holding units in demat mode, the procedure for change in bank details would be as determined by the depository participant.</p> <p>For investors holding units in non-demat mode, the Unit holders may change their bank details registered with the Mutual Fund by submitting 'Multiple Bank Account Registration Form' or a standalone separate Change of Bank Details Form.</p>
<b>23. Delay in payment of redemption/ repurchase proceeds/dividend</b>	<p>The AMC shall be liable to pay interest to the Unit holders at 15% or such other rate as may be prescribed by SEBI from time to time, in case the redemption/ repurchase/ IDCW proceeds are not transferred within the prescribed timeline. However, the AMC will not be liable to pay any interest or compensation or any amount otherwise, in case the AMC / Trustee is required to obtain from the investor / unit holders verification of identity or such other details relating to subscription for Units under any applicable law or as may be required by a regulatory body or any government authority, which results in delay in processing the application.</p>
<b>24. Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount</b>	<p>The unclaimed Redemption and IDCW amounts (the funds) are currently deployed by the Mutual Fund only in TREPS. However, the same may be deployed in other permissible instruments such as call money market or money market instruments or in a separate plan specifically launched under Overnight/Liquid/ Money Market Mutual Fund schemes to deploy unclaimed</p>

	<p>Redemption and IDCW amounts. Investors who claim the unclaimed amounts during a period of three years from the due date shall be paid initial unclaimed amount along-with the income earned on its deployment. Investors, who claim these amounts after 3 years, shall be paid initial unclaimed amount along-with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. The AMC will make a continuous effort to remind the investors through letters to take their unclaimed amounts. The details of such unclaimed redemption/IDCW amounts are made available to investors upon them providing proper credentials, on website of Mutual Funds and AMFI along with the information on the process of claiming the unclaimed amount and the necessary forms/documents required for the same.</p> <p>Further, the information on unclaimed amount along-with its prevailing value (based on income earned on deployment of such unclaimed amount), will be separately disclosed to investors through the periodic statement of accounts/Consolidated Account Statement sent to the investors. Further, the investment management fee charged by the AMC for managing the said unclaimed amounts shall not exceed 50 basis points.</p>
<p><b>25. Disclosure w.r.t investment by minors</b></p>	<p>Investments (including through existing SIP registrations) in the name of minors shall be permitted only from bank account of the minor, parent or legal guardian of the minor or from a joint account of the minor with the parent or legal guardian.</p> <p>It is reiterated that the redemption/ Income Distribution cum Capital Withdrawal (IDCW) proceeds for investments held in the name of Minor shall continue to be transferred to the verified bank account of the minor (i.e. of the minor or minor with parent/ legal guardian) only. Therefore, investors must ensure to update the folios with minor's bank account details as the 'Pay-out Bank account' by providing necessary documents before tendering redemption requests / for receiving IDCW distributions.</p> <p><b>MINOR ATTAINING MAJOR STATUS</b></p> <p>The Mutual Fund/AMC will register SIP/STP/SWAP/or any other systematic enrollment in the folio held by a minor only till the date of the minor attaining majority, even though the instructions may be for a period beyond that date. Such enrollments will automatically stand terminated upon the Unit Holder attaining 18 years of age.</p> <p>For folios where the units are held on behalf of the minor, the account shall be frozen for operation by the guardian on the day the minor attains majority and no transactions shall be permitted till the requisite documents for changing the status of the account from 'minor' to 'major' are submitted.</p>
<p><b>26. Disclosures w.r.t Tracking Error and Tracking Difference</b></p>	<p><b>Tracking Error:</b></p> <p>The Scheme, in general, will hold all the securities that constitute the Underlying Index in the same proportion as the index. Expectation is that, over a period of time, the tracking error of the Scheme relative to the performance of the Underlying Index will be relatively low.</p> <p>The AMC would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible. Under normal market circumstances, such tracking error is not expected to exceed by [2.00%] p.a. (based on daily rolling returns for last 12 months).</p>

	<p>However, in case of unavoidable events like, Dividend issuance by constituent members, rights issuance by constituent members, and market volatility during rebalancing of the portfolio following the rebalancing of the underlying basket, etc. or in abnormal market circumstances, the tracking error may exceed the above mentioned limits and the same shall be brought to the notice of Trustees with corrective actions taken by the AMC, if any.</p> <p><b>Tracking difference:</b> Tracking difference shall be targeted to be 50 bps (over and above actual TER charged). In case the same is not maintained, it shall be brought to the notice of trustees along with corrective actions taken by the AMC, if any.</p>
<p><b>27. Investment Strategy</b></p>	<p>HDFC Nifty India Consumption Index Fund will be managed passively with investments in stocks comprising the Underlying Index subject to tracking error. The investment strategy would revolve around reducing the tracking error to the least possible extent through regular rebalancing of the portfolio, taking into account the change in weights of stocks in the Index as well as the incremental collections/redemptions in the Scheme. A part of the funds may be invested in debt and money market instruments, to meet liquidity requirements.</p> <p>Since the Scheme is index fund, it will only invest in securities constituting the Underlying Index. However, due to corporate action in companies comprising the index, the Scheme may be allocated/allotted securities which are not part of the index. Such holdings would be rebalanced within 7 Business Days from the date of allotment / listing of such securities.</p> <p>As part of the Fund Management process, the Scheme may use derivative instruments such as index futures and options, or any other derivative instruments that are permissible or may be permissible in future under applicable regulations. However, trading in derivatives by the Scheme shall be for restricted purposes as permitted by the Regulations.</p> <p>For detailed derivative strategies, please refer to SAI.</p> <p>Subject to the Regulations and the applicable guidelines, the Scheme may engage in Stock Lending activities. The Scheme may also invest in the debt schemes of Mutual Funds in terms of the prevailing SEBI (MF) Regulations.</p> <p><b>Though every endeavor will be made to achieve the objective of the Scheme, the AMC/Sponsor/ Trustee do not guarantee that the investment objective of the Scheme will be achieved. No guaranteed returns are being offered under the Scheme.</b></p> <p><b>RISK CONTROL</b></p> <p>The Scheme aims to track the Nifty India Consumption Index (TRI) before expenses. The index will be tracked on a regular basis and changes to the constituents or their weights, if any, will be replicated in the underlying portfolio with the purpose of minimizing tracking errors.</p> <p>The Scheme being a passive investment carries lesser risk as compared to active fund management. The portfolio would follow the index and therefore the level of stock concentration in the portfolio and its volatility would be the same as that of the index, subject to tracking errors. Thus, there would be no additional element of volatility or stock concentration on account of fund</p>

	<p>manager decisions. The fund manager would endeavor to keep cash levels at the minimal to control tracking errors.</p> <p>The Risk Mitigation strategy revolves around reducing the tracking error to the least possible through regular rebalancing of the portfolio, taking into account the change in weights of stocks in the Underlying Index as well as the incremental inflows into / redemptions from the Scheme.</p> <p>While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.</p> <p><b>PORTFOLIO TURNOVER</b></p> <p>Portfolio Turnover measures the volume of trading that occurs in a Scheme's portfolio during a given time period. The Scheme is an open-ended Scheme. This Fund will follow a passive investment strategy, the endeavour will be to minimise portfolio turnover subject to the exigencies and needs of the Scheme. Generally, turnover will be confined to rebalancing of portfolio on account of new subscriptions, redemptions and change in the composition of the Underlying Index and corporate actions of securities included in the Underlying Index. A higher portfolio turnover results in higher brokerage and transaction cost.</p>
<p><b>28. Where will the Scheme invest?</b></p>	<p>The Scheme will invest in securities as mentioned below. The investments will be made as per the limits specified in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations or any other applicable laws and guidelines.</p> <ul style="list-style-type: none"> <li>• <b>Investment in equity and equity related instruments:</b> <ul style="list-style-type: none"> <li>(i) The Scheme would invest in Securities which are constituents of the Underlying Index and endeavor to track the Underlying Index.</li> <li>(ii) Stock futures / index futures and such other permitted derivative instruments mainly for portfolio balancing.</li> <li>(iii) Further, due to corporate action in companies comprising the Underlying Index, the scheme may be allocated/allotted securities which are not part of the Underlying Index. For example, the Scheme may invest in stocks not included in the relevant Underlying Index in order to reflect various corporate actions (such as mergers) and other changes in the relevant Underlying Index (such as reconstitutions, additions, deletions and these holdings will be in anticipation and in the direction of impending changes in the Underlying Index).</li> </ul> </li> <li>• <b>Debt securities:</b> <p>Debt issuances by various types of issuers such as Government of India, State and local Governments, Government Agencies and statutory bodies, Corporate Entities, Public / Private sector undertakings, Public / Private sector banks and development financial institutions, etc. Debt issuances may include but are not limited to:</p> <ol style="list-style-type: none"> <li>1. Non-convertible debentures;</li> <li>2. Bonds;</li> <li>3. Secured premium notes;</li> </ol> </li> </ul>

4. Zero interest bonds;
5. Deep discount bonds;
6. Floating rate bond / notes;
7. Non Convertible Preference Shares;
8. Any other domestic fixed income security.

- **Money Market Instruments include:**

1. Commercial papers
2. Commercial bills
3. Treasury bills
4. Government securities having an unexpired maturity upto one year
5. Tri-party Repos/ Reverse Repo on Government securities or treasury bills (TREPS)
6. Certificate of deposit
7. Usance bills
8. Permitted securities under a repo / reverse repo agreement.

Any other instruments as may be permitted by RBI / SEBI from time to time, subject to necessary regulatory approvals.

Investments in Debt and Money Market Instruments will be as per the limits specified in the asset allocation table, subject to restrictions / limits laid under SEBI (MF) Regulations.

Investments in debt will be made through primary or secondary market purchases, other public offers, placements and right offers (including renunciation). The securities could be listed, privately placed, secured /unsecured, rated.

- Where the monies are parked in short term deposits of Scheduled Commercial Banks pending deployment, the Scheme shall abide by the following guidelines as per clause 12.16 of the Master Circular, as may be amended from time to time:

- 1) "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
- 2) Such short-term deposits shall be held in the name of the Scheme.
- 3) The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee.
- 4) Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
- 5) The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
- 6) The Scheme shall not park funds in short- term deposit of a bank, which has invested in the Scheme. Trustees/ AMC shall also take steps to ensure that a bank in which the Scheme has short term deposit does not invest in the Scheme until the Scheme has short term deposit with such bank.

7) No investment management and advisory fees will be charged for such investments in the Scheme.

The aforesaid limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives market.

- The Scheme may engage in securities lending and borrowing in accordance with the framework relating to securities lending and borrowing specified by SEBI from time to time.
- The Scheme may invest in other schemes managed by the AMC or in the schemes of any other mutual funds, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing SEBI (MF) Regulations. As per the SEBI (MF) Regulations, no investment management fees will be charged for such investments and the aggregate inter scheme investment made by all the schemes of HDFC Mutual Fund or in the schemes of other mutual funds shall not exceed 5% of the net asset value of the HDFC Mutual Fund.

#### **Trading in Derivatives**

- The Scheme may take derivatives position based on the opportunities available subject to the guidelines provided by SEBI from time to time and in line with the overall investment objective of the Scheme.
- The Scheme intends to use derivatives mainly for the purpose of portfolio balancing and in case of unavailability of underlying securities. Losses may arise as a result of using derivatives, but these are likely to be compensated by the gains on the underlying cash instruments held by the Scheme. The Scheme will not assume any leveraged exposure to derivatives.
- The Scheme may take position in derivative instruments like Futures, Options, and such other derivative instruments as may be permitted by SEBI from time to time.
- Exposure to equity derivatives of the index itself or its constituent stocks may be undertaken when equity shares are unavailable, insufficient or for rebalancing in case of corporate actions for a temporary period. Index futures/options are meant to be an efficient way of buying/selling an index compared to buying/selling a portfolio of physical shares representing an index for ease of execution and settlement. It can help in reducing the tracking error in the Scheme. Index futures/options may avoid the need for trading in individual components of the index, which may not be possible at times, keeping in mind the circuit filter system and the liquidity in some of the individual stocks. Index futures/options can also be helpful in reducing the transaction costs and the processing costs on account of ease of execution of one trade compared to several trades of shares comprising the Underlying Index and will be easy to settle compared to physical portfolio of shares representing the Underlying Index. In case of investments in index futures/options, the risk/reward would be the same as investments in portfolio of shares representing an index. However, there may be a cost attached to buying an index future/option. The Scheme will not maintain any leveraged or trading positions.

- **Exposure to Derivatives**

The exposure limits for trading in derivatives by Mutual Funds specified by SEBI vide its clause 12.25 of Master Circular and as amended from time to time are as follows:

**Position Limits**

The position limits for trading in derivatives by Mutual Funds specified by clause 12.25 of the Master Circular read with SEBI circular No. SEBI/HO/MRD/MRD-PoD-2/P/CIR/2024/140 dated October 15, 2024 and SEBI circular No. SEBI/HO/MRD/TPD-1/P/CIR/2025/79 dated May 29, 2025 are as follows:

**i. Position limit for Mutual Funds in index options contracts**

a) The Mutual Fund position limit in all index options contracts at PAN level shall be as follows:

- i. Net end of day FutEq OI limit for options to be ₹1,500 cr. and
- ii. Gross end of day FutEq OI to be ₹10,000 cr. (i.e. neither gross long FutEq OI nor gross short FutEq OI shall exceed ₹10,000 cr.)

This limit would be applicable on open positions in all options contracts on a particular Underlying Index.

**ii. Position limit for Mutual Funds in index futures contracts**

a) The Mutual Fund position limit in all index futures contracts on a particular Underlying Index shall be higher of 15% of futures OI for that index or ₹500 cr.

b) This limit would be applicable on open positions in all futures contracts on a particular Underlying Index.

c) The above stated position limits for index futures would be measured on gross notional basis. The position limits shall be computed on a gross basis at the level of MF and on a net basis at the level of schemes of MF.

**Formulation of Open Interest (OI)**

i. OI in derivatives shall be measured at portfolio level by computing the net Delta adjusted open positions across futures and options for an underlying at a given point in time. Delta denotes sensitivity of price movement of derivative position with respect to that of the underlying. Accordingly, long futures have a delta of +1 times notional. For options, delta will range between 0 and +1 times notional for long calls and between 0 and -1 times notional for long puts. In case of short options position, effective delta for short calls is negative and that of short put is positive.

ii. Gross addition of such net Future Equivalent Open Interest (FutEq OI) across all the Unique Client Codes would form the FutEq OI for the Stock/Index derivatives.

**iii. Position limit for Mutual Funds for stock based derivative contracts**

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts will be as follows:

- The combined futures and options position limit shall be 30% of the applicable Market Wide Position Limit (MWPL).

**iv. Position limit for each Scheme of a Mutual Fund**

The Scheme-wise position limit requirements shall be:

- 1) The gross open positions across all derivative contracts on a particular underlying stock should not exceed the higher of:  
1% of the free float market capitalization (in terms of number of shares).  
or  
5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
- 2) These position limits would be applicable on the combined position in all derivative contracts on an underlying stock at a Stock exchange.
- 3) For index based contracts, Mutual Funds shall disclose the total open interest held by its Scheme or all Schemes put together in a particular Underlying Index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that Underlying Index.

**Exposure Limits**

The exposure limits for trading in derivatives by Mutual Funds specified by clause 12.25 of the Master Circular are as follows:

1. The cumulative gross exposure through equity and equity related instruments, debt securities & money market instruments, units of Debt schemes of Mutual Fund and derivative positions, repo transactions, other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time shall not exceed 100% of the net assets of the Scheme.
2. Mutual Funds shall not write options or purchase instruments with embedded written options except as permitted under SEBI circulars from time to time. Currently Mutual Fund schemes (**except Index Funds and ETFs**) may write call options only under a covered call strategy.
3. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
4. Cash or cash equivalents i.e. Government Securities, T-Bills and Repo on Government Securities with residual maturity of less than 91 days may be treated as not creating any exposure.
5. Definition of Exposure in case of Derivative Positions:  
Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

<b>Position</b>	<b>Exposure</b>
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option Bought	Option Premium Paid * Lot Size * Number of Contracts

<p><b>29. Fundamental Attributes</b></p>	<p>Following are the Fundamental Attributes of the Scheme, in terms of Clause 1.14 of Master Circular read with Regulation 18 (15A) of the SEBI (MF) Regulations:</p> <p><b>(i) Type of a Scheme</b></p> <ul style="list-style-type: none"> <li>• An open ended scheme replicating/tracking Nifty India Consumption Index (TRI).</li> <li>• Index Fund</li> </ul> <p><b>(ii) Investment objective</b></p> <ul style="list-style-type: none"> <li>• <b>Main Objective</b> - Please refer to '<b>Investment Objective</b>' on the Cover Page.</li> <li>• <b>Investment pattern</b> - Please refer to section '<b>Asset Allocation</b>' under <b>Highlights/ Summary of the Scheme</b>.</li> </ul> <p><b>(iii) Terms of Issue</b></p> <p>(a) <b>Liquidity provisions such as listing, repurchase, redemption.</b> For further details, please refer <a href="https://www.hdfcfund.com/statutory-disclosure/offer-document-disclosures">https://www.hdfcfund.com/statutory-disclosure/offer-document-disclosures</a></p> <p>(b) <b>Aggregate Fees and expenses charged to the Scheme.</b> For further details, please refer <a href="https://www.hdfcfund.com/statutory-disclosure/offer-document-disclosures">https://www.hdfcfund.com/statutory-disclosure/offer-document-disclosures</a></p> <p>(c) <b>Any safety net or guarantee provided.</b> This Scheme does not provide any guaranteed or assured return.</p> <p><b>Changes in Fundamental Attributes</b></p> <p>In accordance with Regulation 18 (15A) and Regulation 25(26) of the SEBI (MF) Regulations, read with clause 1.14.1.4 and 17.10 of Master Circular, the Trustee and AMC shall ensure that no change in the fundamental attributes of the Scheme and the Plan(s)/Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme and Plan(s)/Option(s) thereunder affect the interest of Unit holders is carried out by the AMC unless:</p> <ul style="list-style-type: none"> <li>• SEBI has reviewed and provided its comments on the proposal</li> <li>• A written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and</li> <li>• The Unit holders are given an option for a period of atleast 30 calendar days to exit at the prevailing Net Asset Value without any exit Load.</li> </ul>
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