

Dear Unitholder,

Date: January 27, 2026

Sub: Change in fundamental attributes and certain other provisions of HDFC Non-Cyclical Consumer Fund FA Change (“the Scheme”)

Unit holders are requested to note that HDFC Non-Cyclical Consumer Fund (“the Scheme”) will be undergoing changes in the key features with effect from **March 11, 2026 (Effective Date)**. The changes, indicated as Fundamental Attribute Change (“**FAC**”) in the below table will be considered as change in the fundamental attributes in line with Regulation 18(15A) and Regulation 25(26) of the SEBI (Mutual Funds) Regulations, 1996 (“MF Regulations”) read with clause 1.14.1.4 and 17.10 of Master Circular for Mutual Funds dated June 27, 2024. Accordingly, the proposed changes shall be carried out by implementing the process for change in the fundamental attributes of a scheme.

1. Name of the Scheme (Existing): HDFC Non-Cyclical Consumer Fund

- 2. Rationale for the change/s:** The Management of the Company proposes to change the fundamental attributes and other provisions to expand the investment universe to include various sub sectors across the wider consumption theme. The current investment universe of the Scheme includes non-cyclical consumer businesses. The broader consumption theme includes both cyclical and non-cyclical businesses which is in line with the Scheme’s Benchmark. Also, in light of the recent policy reforms such as income tax relief in the Union Budget, monetary policy measures, state welfare schemes, GST rate rationalisation and the anticipated 8th pay commission, there is a compelling case to expand the Scheme’s scope.

3. Comparison between the existing and proposed features of the Scheme is as follows:

Particulars	Existing Provisions	Proposed Provisions
Name of the Scheme	HDFC Non-Cyclical Consumer Fund	HDFC Consumption Fund
Product labelling	<ul style="list-style-type: none"> to generate long-term capital appreciation / income. investment in equity and equity related securities of companies with a focus on non-cyclical consumer theme. 	<ul style="list-style-type: none"> to generate long-term capital appreciation / income. investment in equity and equity related securities of companies with a focus on consumption theme.
Scheme Type*	An open ended equity scheme following non-cyclical consumer theme.	An open ended equity scheme following consumption theme.
Investment Objective*	To generate long-term capital appreciation by investing predominantly in equity and equity related securities of companies with a focus on non-cyclical consumer theme. There is no assurance that the investment objective of the Scheme will be achieved.	To generate long term capital appreciation by investing in equity/equity related securities of companies with a focus on consumption and consumption related sector or allied sectors . There is no assurance that the investment objective of the Scheme will be achieved.

Particulars	Existing Provisions			Proposed Provisions		
Asset Allocation*	Type of Instruments	Minimum Allocation (% of Total Assets)	Maximum Allocation (% of Total Assets)	Type of Instruments	Minimum Allocation (% of Total Assets)	Maximum Allocation (% of Total Assets)
	Equity and Equity related instruments of Non-Cyclical Consumer Companies	80	100	Equity and Equity related instruments of companies of consumption and consumption related sector or allied sectors [^]	80	100
	Equity and Equity related instruments of Companies other than above	0	20	Equity and Equity related instruments of Companies other than above	0	20
	Units issued by REITs and InvITs	0	10	Units issued by InvITs	0	10
	Debt Securities, Money market instruments and Fixed Income Derivatives	0	20	Debt Securities, Money market instruments and Fixed Income Derivatives	0	20
	Units of Mutual Fund	0	20	Units of Mutual Fund	0	20
				[^] For indicated list of sectors/industries under consumption and consumption related sector or allied sectors please refer “What are the investment strategies?”		
	Investment Strategies*	<p>The Scheme will be actively managed. The investment objective of the Scheme is to generate long term capital appreciation by investing predominantly in equity and equity related securities of companies with a focus on non-cyclical consumer theme.</p> <p>The Scheme will invest in Indian equity and Equity related securities with focus on stocks that represent the non-cyclical consumer theme within the basic industries like Consumer Goods, Consumer Services, Telecom, Services, Healthcare, Media, Entertainment, Publication, Textiles sectors and such other industries forming part of the Benchmark Index.</p>			<p>[^]Indicated list of sectors/industries under consumption and consumption related sector or allied sectors are as follows:</p> <ul style="list-style-type: none"> • FMCG • Consumer non-durables • Automobile and Auto Components • Telecommunication • Consumer Services • Media and Entertainment • Consumer Durables • Textiles • Healthcare • Power • Realty/Hotels <p>Please note that the above list is indicative and the Fund Manager may add such other sector/industries which satisfy the</p>	

Particulars	Existing Provisions	Proposed Provisions
	<p>A portion of Scheme will also be invested in IPOs and other primary market offerings that meet the Scheme's investment criteria. Further, to achieve diversification, the Scheme may also invest up to 20% of the assets in companies other than non-cyclical consumer theme.</p> <p>The Scheme may also invest in the hybrid securities viz. units of REITs and InvITs for diversification and subject to necessary stipulations by SEBI from time to time.</p> <p>Subject to the Regulations and the applicable guidelines, the Scheme may engage in Stock Lending activities.</p> <p>Investment in debt securities will be guided by credit quality, liquidity, interest rates and their outlook.</p> <p>The Scheme will retain the flexibility to invest in the entire range of debt instruments and money market instruments. Investment in Debt securities (including securitized debt, other structured obligations and credit enhanced debt rated SO / CE) and Money Market Instruments will be as per the limits in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations.</p> <p>The Scheme may also invest in the schemes of Mutual Funds in terms of the prevailing SEBI (MF) Regulations.</p> <p>As part of the Fund Management process, the Scheme may use derivative instruments such as 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. For detailed derivative strategies, please refer to SAI. For exposure limits to derivatives, refer section 'Where will the scheme invest' under Section II, Part II, Clause A.</p> <p>Though every endeavour will be made to achieve the objective of the Scheme, the AMC/Sponsor/Trustee do not guarantee that the investment objective of the Scheme</p>	<p>consumption theme. The Fund Manager may also add other sectors as may be added in Nifty Consumption Index from time to time. The Scheme will be actively managed. The investment objective of the Scheme is to generate long term capital appreciation by investing predominantly in equity and equity related securities of companies with a focus on consumption and consumption related sector or allied sectors.</p> <p>A portion of Scheme will also be invested in IPOs and other primary market offerings that meet the Scheme's investment criteria. Further, to achieve diversification, the Scheme may also invest up to 20% of the assets in companies other than consumption theme.</p> <p>The Scheme may also invest in the hybrid securities viz. units of InvITs for diversification and subject to necessary stipulations by SEBI from time to time.</p> <p>Subject to the Regulations and the applicable guidelines, the Scheme may engage in Stock Lending activities.</p> <p>Investment in debt securities will be guided by credit quality, liquidity, interest rates and their outlook.</p> <p>The Scheme will retain the flexibility to invest in the entire range of debt instruments and money market instruments. Investment in Debt securities (including securitized debt, other structured obligations and credit enhanced debt rated SO / CE) and Money Market Instruments will be as per the limits in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations.</p> <p>The Scheme may also invest in the schemes of Mutual Funds in terms of the prevailing SEBI (MF) Regulations.</p> <p>As part of the Fund Management process, the Scheme may use derivative instruments such as 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. For detailed derivative strategies, please refer to SAI. For exposure limits to derivatives, refer section 'Where will the scheme invest' under Section II, Part II, Clause A.</p> <p>Though every endeavour will be made to achieve the objective of the Scheme, the AMC/Sponsor/Trustee do not guarantee that</p>

Particulars	Existing Provisions	Proposed Provisions
	will be achieved. No guaranteed returns are being offered under the Scheme.	the investment objective of the Scheme will be achieved. No guaranteed returns are being offered under the Scheme.
Scheme Specific Risk Factors	The Scheme will invest atleast 80% of its net assets in equity and equity related securities with focus on stocks that represent the non-cyclical consumer theme within the basic industries like Consumer Goods, Consumer Services, Telecom Services, Healthcare, Media, Entertainment, Publication, Textiles sectors and such other industries forming part of the Benchmark Index. The Scheme is thematic in nature, hence will be affected by the risks associated with the non-cyclical consumer theme.	The Scheme will invest at least 80% of its net assets in equity and equity related instruments of companies with focus on consumption and consumption related sector or allied sectors . The Scheme is thematic in nature, hence will be affected by the risks associated with the consumption sector .
Risk Mitigation Strategies	<p>Risk Mitigation measures for investments in equity / equity related instruments:</p> <p>The Scheme is mandated to construct a portfolio comprising 80% of stocks representing the non-cyclical consumer theme.</p> <p>The Scheme would take advantage of the availability of a large number of sectors to select stocks from and would diversify its holding across these sectors covered under the non-cyclical theme from a risk mitigation perspective.</p> <p>The fund manager would aim to build a portfolio of entities within these sectors that are of superior quality enjoying competitive advantages within their respective industries and likely to achieve above average growth than the industry.</p> <p>Stocks belonging to companies representing non-cyclical consumer theme have a presence across all market cap segments i.e. large, midcap and small cap. The portfolio comprising stocks across market cap segments shall help in managing volatility and ensuring adequate liquidity at all times.</p> <p>Further, the Scheme also provides for investment up to 20% of the assets in companies other than non-cyclical consumer theme. This will help mitigate the risk associated with investments in the stocks of the companies representing non-cyclical consumer theme.</p>	<p>Risk Mitigation measures for investments in equity / equity related instruments:</p> <p>The Scheme is mandated to construct a portfolio comprising 80% of stocks representing the consumption theme.</p> <p>The Scheme would take advantage of the availability of a large number of sectors to select stocks from and would diversify its holding across these sectors covered under consumption theme from a risk mitigation perspective.</p> <p>The fund manager would aim to build a portfolio of entities within these sectors that are of superior quality enjoying competitive advantages within their respective industries and likely to achieve above average growth than the industry.</p> <p>Stocks belonging to companies representing consumption theme have a presence across all market cap segments i.e. large, midcap and small cap.</p> <p>The portfolio comprising stocks across market cap segments shall help in managing volatility and ensuring adequate liquidity at all times.</p> <p>Further, the Scheme also provides for investment up to 20% of the assets in companies other than consumption theme. This will help mitigate the risk associated with investments in the stocks of the companies representing consumption theme.</p>

* Considered as Fundamental Attribute Change

All other provisions will stand updated in Scheme Information Document (SID) / Key Information Memorandum (KIM) as consequential changes on account of the above proposed changes. Further, relevant changes will stand updated in Statement of Additional Information (SAI).

All other features of the Scheme except those mentioned above will remain unchanged.

4. The Board of Directors of HDFC Asset Management Company Limited and the Board of Directors of HDFC Trustee Company Limited, have approved the above proposed changes. Further, SEBI, vide its letter/ email dated January 14, 2026 noted the proposed changes.
5. In line with regulatory requirements, on account of the change in fundamental attributes is being proposed, we are offering an exit window ("**Exit Option**") of 30 days to existing Unit holders (as on January 28, 2026 upto 3 p.m.) from February 09, 2026 to March 10, 2026 (both days inclusive) ("**Exit Option Period**"). These changes will be effective from **March 11, 2026** ("**Effective Date**"). During the Exit Option Period, unit holders not consenting to the change may either switch to any other scheme of HDFC Mutual Fund or redeem their units at applicable Net Asset Value without payment of exit load, if any, subject to provisions of applicable cut-off time as stated in the Scheme Information Document (SID) of the Scheme. All redemption/switch out requests received on or after March 10, 2026 post 3.00 pm will be subject to applicable exit load (if any), under the Scheme.
6. The above information is also available on the website of HDFC Mutual Fund viz., www.hdfcfund.com
7. Unit holders who have pledged / encumbered their units will not have the option to exit unless they submit a letter of release of their pledges / encumbrances prior to submitting their redemption / switch requests.
8. Investors who have registered for Systematic Investment Plan (SIP) in the Scheme and who do not wish to continue their future investments must apply for cancellation of their SIP registrations.
9. The redemption warrant/cheque will be mailed or the amount of redemption will be credited to the unit holders bank account (as registered in the records of the Registrar) within 3 (three) working days from the date of receipt of redemption request.
- 10. It may be noted that the offer to exit is purely optional and not compulsory. If the Unit holder has no objection to the aforesaid change, no action is required to be taken and it would be deemed that such Unit holder has consented to the aforesaid change.**
11. The option to redeem the Units without exit load during the Exit Option Period can be exercised in the following manner:
 - (a) Unit holders can submit redemption / switch out requests online or via duly completed physical application form / redemption form at any official points of acceptance/Investor Service Centres of the Fund or to the depository participant (DP) (in case of units held in Demat mode).
 - (b) The redemption/ switch requests shall be processed at applicable NAV as per time stamping provisions contained in the SID of the Scheme.
 - (c) Unit holders should ensure that any changes in address or pay-out bank details required by them, are updated in HDFC Mutual Fund's records at least 10 (Ten) working days before exercising the Exit Option. Unit holders holding Units in dematerialized form may approach their DP for such changes.
12. The expenses related to the proposed changes and other consequential changes as outlined above will not be charged to the unit holders of the Scheme of HDFC Mutual Fund.

13. Tax Consequences:

Redemption / switch-out of units from the Scheme may entail capital gain/loss in the hands of the unitholder. For unit holders who redeem their investments during the Exit Option Period, the tax consequences as set forth in the Statement of Additional Information of HDFC Mutual Fund and SID would be applicable. In case of NRI investors, TDS shall be deducted from the redemption proceeds in accordance with the prevailing income tax laws. In view of the individual nature of tax consequences, Unitholders are advised to consult their professional tax advisors for tax advice.

Unit holders who require any further information may contact:

HDFC Mutual Fund, Address: HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020.

Telephone no.: 1800 3010 6767/ 1800 419 7676 Email id: hello@hdfcfund.com

Yours faithfully,

For HDFC Asset Management Company Limited
Investment Manager to HDFC Mutual Fund
CIN no. L65991MH1999PLC123027

Sd/-
Authorised Signatory

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