

HDFC MF

Weekend Bytes

A weekly series from HDFC Mutual Fund

Momentum: The Follow-The-Trend Factor!



In everyday life, we observe various trends – the café everyone is talking about, the travel destination on everyone’s feed or the fashion style that is sought after. Trends exist in the markets too. Stocks and sectors that are already performing well tend to keep attracting attention, capital and conviction. The momentum factor is built on this concept. It follows the idea of ‘the trend is your friend’.



What is Momentum?

Momentum is the tendency of a stock to keep moving in the direction of its recent trend i.e. a stock which has recently witnessed price strength may keep moving in that direction and vice versa. A stock’s momentum can be determined by calculating its returns over various time periods e.g. by calculating its 6-month and 12-month price return, and adjusting for volatility. The strategy adapts dynamically to changing market conditions, demonstrating responsiveness to evolving trends.

Investors can get exposure to the Momentum factor by investing in the HDFC Nifty200 Momentum 30 Index Fund and HDFC Nifty200 Momentum 30 ETF (NSE/BSE symbol: HDFCMOMENT, BSE Scrip Code: 543628). These offerings track the Nifty200 Momentum 30 Index. The Index selects top 30 stocks from the NIFTY 200 Index based on their Normalized Momentum Score. The investment universe is the Nifty 200 Index, hence investors can get exposure to both largecap and midcap stocks through a single product. The Index is rebalanced semi-annually in June and December.

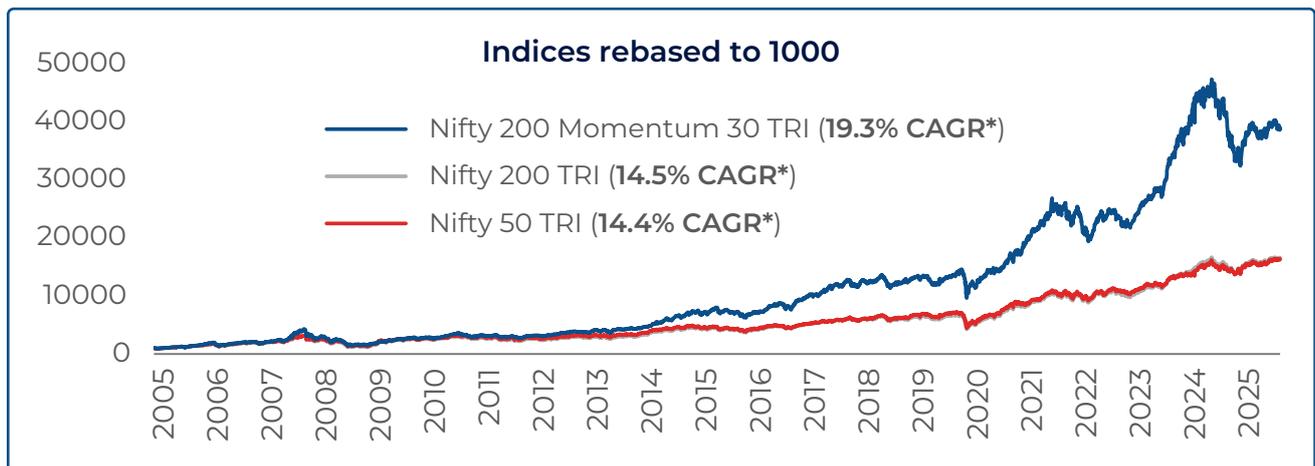
A key feature of the Momentum strategy is how it adapts to changing market leadership. Its recent move (as per the December 2025 index rebalance) into Autos, Metals and Mining (two of the best performing sectors in H2 CY 2025) highlights this feature. Additionally, there has been a significant rotation within holdings in the Financials sector, with several PSU Banks entering and Private Banks exiting. To know more, please [click here](#).

~ For detailed methodology, please visit www.niftyindices.com

Nifty200 Momentum 30 TRI has outperformed Nifty 200 TRI and Nifty 50 TRI over the long term

Return Periods	CAGR* as on Dec 31, 2025		
	NIFTY200 Momentum 30 TRI	NIFTY 200 TRI	NIFTY 50 TRI
1 year	-4.6%	9.6%	11.9%
3 year	17.9%	16.1%	14.3%
5 year	19.0%	16.2%	14.7%
7 year	17.9%	15.4%	14.7%
10 year	18.3%	14.5%	14.0%
15 year	17.8%	12.1%	11.5%
Since inception [^]	19.3%	14.5%	14.4%

Heatmap Key Rank 1 Rank 2 Rank 3



Source: NSE Indices Ltd. and internal calculations. As on Dec 31, 2025. [^]Apr 01, 2005 is the inception date for the Nifty200 Momentum 30 TRI. **Past performance may or may not be sustained in the future and is not a guarantee of any future returns. HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns.** *CAGR: Compounded Annual Growth Rate, TRI – Total Returns Index.

For example, the Nifty200 Momentum 30 TRI has returned 19.3% CAGR compared to 14.5% CAGR* for the Nifty 200 TRI and 14.4% CAGR* for the Nifty 50 TRI*

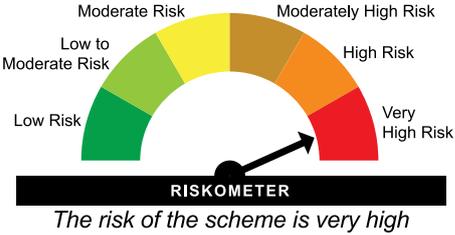


Conclusion

Momentum investing is a type of Smart Beta investing which endeavors to follow trends within the stock market. A key feature is its dynamic nature, through which the strategy adjusts its constituents over a time period as market conditions change. The Nifty200 Momentum 30 Index has historically outperformed traditional market indices, making it an option to consider for investors seeking long-term growth opportunities. However, investors may also note that the Index has exhibited higher volatility of returns than broad market indices like the Nifty 200 Index, Nifty 50 Index etc. Sectoral concentration may also be higher compared to broad market indices. Recent trends may or may not sustain in the future or change abruptly, affecting performance in the short term until the portfolio adjusts to new market conditions. Risks listed here are not exhaustive.

Investors may opt to get exposure to the Momentum factor by considering to invest in **HDFC Nifty200 Momentum 30 Index Fund** and **HDFC Nifty200 Momentum 30 ETF**.



Name of Scheme / Investment Plan	This product is suitable for investors who are seeking*:	SCHEME RISKOMETER#
<p>HDFC Nifty200 Momentum 30 Index Fund</p> <p>An open-ended scheme replicating/tracking NIFTY200 Momentum 30 Index (TRI).</p>	<ul style="list-style-type: none"> • Returns that are commensurate (before fees and expenses) with the performance of the NIFTY200 Momentum 30 Index (TRI), over long term, subject to tracking error. • Investment in equity securities covered by the NIFTY200 Momentum 30 Index 	 <p>RISKOMETER <i>The risk of the scheme is very high</i></p>
<p>HDFC Nifty200 Momentum 30 ETF</p> <p>An open ended scheme replicating/tracking NIFTY200 Momentum 30 Index (TRI)</p>	<ul style="list-style-type: none"> • Returns that are commensurate (before fees and expenses) with the performance of the NIFTY200 Momentum 30 Index (TRI), over long term, subject to tracking error. • Investment in securities covered by the NIFTY200 Momentum 30 Index (TRI). 	

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them. # For latest riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. www.hdfcfund.com Scheme Riskometer as on December 31, 2025

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Views expressed above are indicative and should not be construed as investment advice or as a substitute for financial planning. Due to the personal nature of investments, investors are advised to seek professional advice before investing.

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

Mission: To be the wealth creator for every Indian

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