

**HDFC MF**

# Weekend Bytes

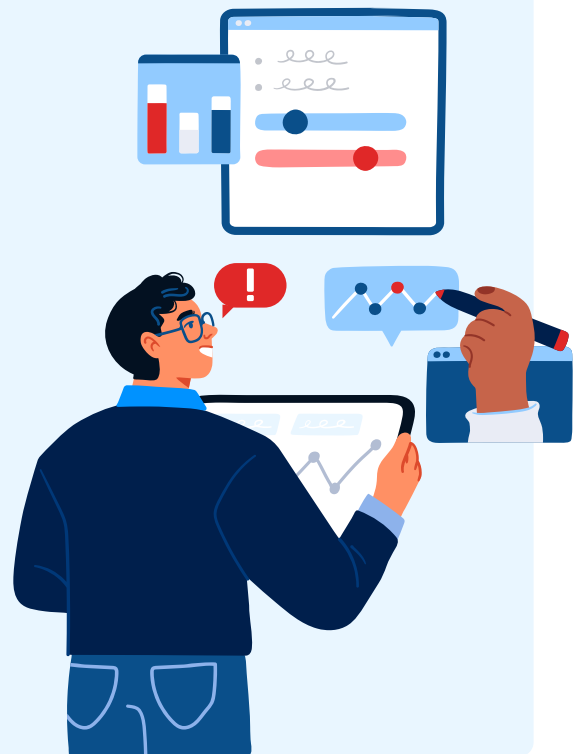
A weekly series from HDFC Mutual Fund

## Multi-Asset Investing!

How HDFC Mutual Fund makes it easy



Periods of strong market performance often tempt some investors to concentrate their investments in what has worked recently. At the same time, periods of uncertainty and market corrections dissuade certain people to invest in the markets. Both reactions highlight a common challenge investors face: recent market movements dominate their investment decisions which in turn could hamper their long-term investment objective.



## Why HDFC Multi-Asset Allocation Fund?

It is very important to remember that no single asset class wins every year. Different asset classes behave differently across market conditions. There will be periods where equities will perform well but they are often accompanied with considerable volatility. Debt provides relative stability but yields moderate returns. Meanwhile, gold may act as a hedge during periods of uncertainty but it too has phases of volatility. Therefore, relying on a single asset class requires you to assess the market well on a consistent basis, which could be a very difficult thing to do.

This is where the **HDFC Multi-Asset Allocation Fund** seeks to address this challenge by maintaining exposure across equities, debt and gold within a single portfolio.

Instead of requiring you to switch between different asset classes, the fund follows a structured asset allocation framework aimed at balancing growth potential with risk management.

## Looking beyond returns!

Returns alone do not tell the complete story of an investment. It's really important for you to look at the journey of your investment and not just the outcome. This is why risk-adjusted returns can provide a more balanced perspective in evaluating investments.



Over long periods, a fund like HDFC Multi-Asset Allocation Fund could help reduce volatility and potentially deliver better risk-adjusted returns compared to single asset strategies.

Let's look at the last 6 years, where we have experienced considerable market unpredictability, right from the pandemic shock to market recovery, from rate hikes to the Russia-Ukraine conflict and eventually leading to rate cuts and moderation of inflation.

As you can see from the table below, the HDFC Multi-Asset Allocation Fund has performed better in terms of return-to-risk ratios compared to the other asset classes\*.

Return-to Risk Ratios			
Period	GOLD	Equity	Multi Asset Allocation Fund
01 Jan 2020 – 31 Dec 2021	0.80	1.02	1.58
01 Jan 2022 – 31 Dec 2023	1.16	1.15	1.92
01 Jan 2024 – 31 Dec 2025	3.81	1.03	2.50

Returns				
Period	GOLD	Equity	Debt	HDFC Multi-Asset Allocation Fund
01 Jan 2020 – 31 Dec 2021	11.4%	20.7%	8.1%	19.3%
01 Jan 2022 – 31 Dec 2023	13.5%	13.2%	5.1%	11.0%
01 Jan 2024 – 31 Dec 2025	49.9%	11.0%	7.3%	13.3%

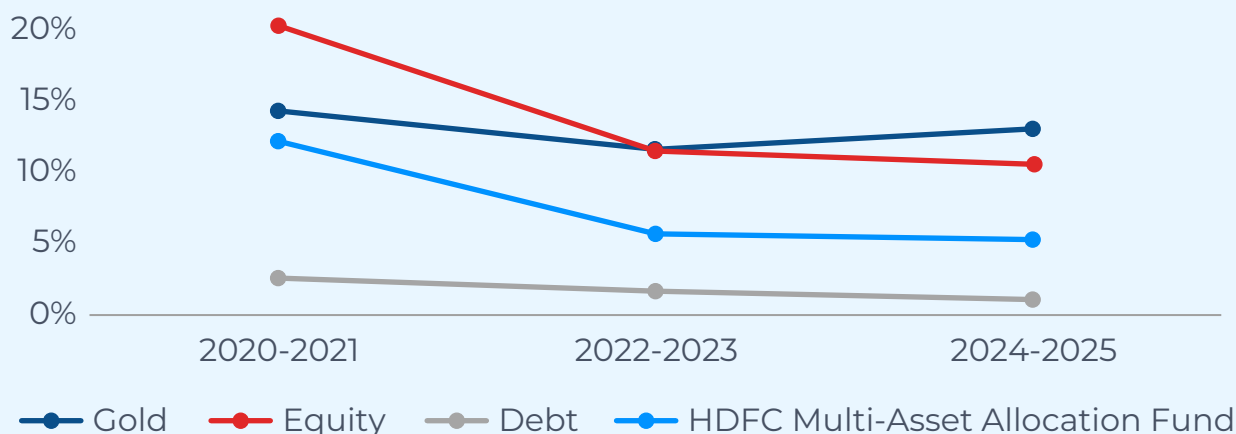
**\*\*Source: MFI Explorer. Past performance may / may not be sustained in the future and is not a guarantee of any future returns. HDFC AMC/HDFC MF is not guaranteeing any returns on investment in the schemes.**

## An endeavour to smoothen the Investment Journey!

As mentioned earlier, it's very important to look at the journey of your investment. Periods of high volatility and sharp drawdowns may test your investing discipline leading to unfavourable decisions.

But as you can see from the chart below, the volatility of the HDFC Multi-Asset Allocation Fund is second only to debt and significantly lower than gold and equities.

### Volatility



Maximum Drawdown				
Period	GOLD	Equity	Debt	HDFC Multi Asset Allocation Fund
01 Jan 2020 – 31 Dec 2021	-20.22%	-38.27%	-3.23%	<b>-27.15%</b>
01 Jan 2022 – 31 Dec 2023	-15.36%	-16.44%	-2.79%	<b>-8.23%</b>
01 Jan 2024 – 31 Dec 2025	-9.87%	-15.43%	-1.18%	<b>-6.52%</b>

Source: MFI Explorer, AMFI

Note: Equity data is represented by the Nifty 50 Total Return Index; Debt data has been represented by the Nifty Composite Debt Index; Gold prices are in INR and based on Bloomberg data

Standard Deviation/Volatility is calculated by annualizing the daily returns for the specific time periods.

The above table shows the maximum drawdown of different asset classes compared to the Fund. Drawdown is basically a decline in an investment's value from its peak to its lowest point over a given period before it recovers.



## How does it fare against the benchmark?

To put the Fund's performance in perspective, it is helpful to compare it against its benchmark.

The chart below shows the volatility, maximum drawdown and return-to-risk ratio of the Fund compared to its benchmark.

Period	HDFC Multi-Asset Allocation Fund			Benchmark		
	Volatility	Max Drawdown	Return-Risk Ratio	Volatility	Max Drawdown	Return-Risk Ratio
01 Jan 2020 – 31 Dec 2021	12.23%	-27.15%	<b>1.58</b>	11.87%	-23.20%	1.42
01 Jan 2022 – 31 Dec 2023	5.71%	-8.23%	<b>1.92</b>	6.96%	-9.72%	1.62
01 Jan 2024 – 31 Dec 2025	5.31%	-6.52%	<b>2.50</b>	7.16%	-8.58%	1.57

The HDFC Multi-Asset Allocation Fund has mostly experienced lower volatility and shallower drawdowns in the mentioned periods emphasizing the role of HDFC Multi-Asset Allocation Fund's asset allocation in moderating fluctuations in times of market uncertainty.

## Conclusion

Navigating between the extremes of chasing returns or avoiding markets, **HDFC's Multi-Asset Allocation Fund** may offer a more balanced path allowing you to participate in potential growth while moderating volatility.



**HDFC Multi-Asset Allocation Fund<sup>^</sup>**
**A. SIP Performance - Regular Plan - Growth Option**

	Since Inception*	15 year SIP	10 year SIP	5 year SIP	3 year SIP	1 year SIP
Total Amount Invested (₹ in lacs)	24.50	18.00	12.00	6.00	3.60	1.20
Market Value as on December 31, 2025 (₹ in lacs)	86.92	46.37	23.43	8.42	4.44	1.29
<b>Returns (%)</b>	<b>11.11</b>	<b>11.69</b>	<b>12.83</b>	<b>13.50</b>	<b>14.10</b>	<b>14.77</b>
<b>Benchmark Returns (%)#</b>	<b>10.95</b>	<b>12.01</b>	<b>13.16</b>	<b>13.76</b>	<b>15.06</b>	<b>18.58</b>
<b>Additional Benchmark Returns (%)##</b>	<b>12.92</b>	<b>13.69</b>	<b>14.54</b>	<b>13.36</b>	<b>13.24</b>	<b>14.90</b>

Assuming ₹10,000 invested systematically on the first Business Day of every month over a period of time. CAGR returns are computed after accounting for the cash flow by using XIRR method (investment internal rate of return) for Regular Plan - Growth Option. The above investment simulation is for illustrative purposes only and should not be construed as a promise on minimum returns and safeguard of capital. SIP - Systematic Investment Plan.

**B. Performance - Regular Plan - Growth Option**

NAV as on December 31, 2025 ₹75.628 (per unit)

Period	Scheme Returns (%)	Benchmark Returns (%)#	Additional Benchmark Returns (%)##	Value of investment of (₹) 10,000		
				Scheme (₹)	Benchmark (₹)#	Additional Benchmark (₹)##
Last 1 Year	13.21	16.48	11.88	11,321	11,648	11,188
Last 3 Years	14.84	14.70	14.29	15,158	15,102	14,941
Last 5 Years	13.27	13.09	14.67	18,648	18,505	19,832
Last 10 Years	11.39	12.09	14.02	29,446	31,339	37,193
Since Inception*	10.43	10.06	13.79	75,628	70,578	139,348

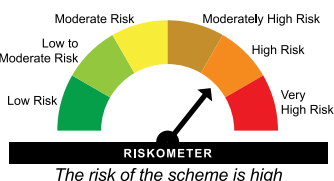
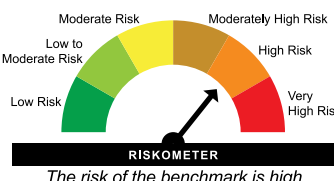
**Common notes for the above table A & B: Past performance may or may not be sustained in future and is not a guarantee of any future returns. Load is not taken into consideration for computation of performance.** \*Inception Date: August 17, 2005. The Scheme is co-managed by Mr. Srinivasan Ramamurthy (Equity Assets) (since January 13, 2022), Mr. Anil Bamboli (Debt Assets) (since August 17, 2005) Mr. Bhagyesh Kagalkar (Dedicated Fund Manager for commodities related investments viz. Gold) (since February 02, 2022), Mr. Arun Agarwal (Arbitrage Assets) (since August 24, 2020), Ms. Nandita Menezes (Arbitrage Assets) (W.e.f 29th march 2025). Returns greater than 1 year period are compounded annualised (CAGR). # 65% Nifty 50 TRI + 25% Nifty Composite Debt Index + 10% Price of Domestic Gold. ## NIFTY 50 TRI. TRI: Total Returns Index. Returns greater than 1 year period are compounded annualized (CAGR). N.A. Not Available. The Scheme formerly, a debt oriented hybrid fund, has undergone change in Fundamental attributes w.e.f. May 23, 2018 and become a multi asset fund investing in equities, debt and gold related instruments. Accordingly, the Scheme's benchmark has also changed. Hence, the performance of the Scheme from inception till May 22, 2018 may not strictly be comparable with those of the new benchmark and the additional benchmark. Scheme performance may not strictly be comparable with that of its Additional Benchmark in view of hybrid nature of the scheme where a portion of scheme's investments are made in debt instruments and gold related instruments. Different plans viz. Regular Plan and Direct Plan have a different expense structure. The expenses of the Direct Plan under the Scheme will be lower to the extent of the distribution expenses / commission charged in the Regular Plan. Returns as on December 31, 2025.

<sup>^</sup>Name changed from HDFC Multi - Asset Fund w.e.f. December 09, 2025

This scheme has exposure to floating rate instruments and / or interest rate derivatives. The duration of these instruments is linked to the interest rate reset period. The interest rate risk in a floating rate instrument or in a fixed rate instrument hedged with derivatives is likely to be lesser than that in an equivalent maturity fixed rate instrument. Under some market circumstances the volatility may be of an order greater than what may ordinarily be expected considering only its duration. Hence investors are recommended to consider the unadjusted portfolio maturity of the scheme as well and exercise adequate due diligence when deciding to make their investments

The Scheme's benchmark has changed over time to reflect its evolving asset allocation strategy. Accordingly, the benchmark Performance has been computed using values of the concerned benchmarks. From inception till December 31, 2017, the benchmark was CRISIL MIP Blended Index. It was then revised to CRISIL Hybrid 85+15 Conservative Index from January 1, 2018 to March 27, 2018, and to NIFTY 50 Hybrid Composite Debt 15:85 Index from March 28, 2018 to May 22, 2018. Between May 23, 2018 and July 25, 2023, the benchmark comprised 90% NIFTY 50 Hybrid Composite Debt 65:35 Index + 10% Domestic Price of Gold. From July 26, 2023 to December 9, 2025, it was 65% NIFTY 50 TRI + 25% NIFTY Composite Debt Index + 10% Domestic Price of Gold. Effective December 10, 2025, the benchmark is 65% NIFTY 50 TRI + 22.5% NIFTY Composite Debt Index + 10% Domestic Price of Gold + 2.5% Domestic Price of Silver.

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

<b>HDFC Multi-Asset Allocation Fund<sup>^</sup></b> (An open-ended scheme investing in Equity and Equity related instruments, Debt & Money Market Instruments, Gold/Silver/other permitted Commodities ETFs and Exchange Traded Commodity Derivatives.) is suitable for investors who are seeking*:	<b>Riskometer#</b>   <i>The risk of the scheme is high</i>	<b>Name of the Benchmark and Riskometer#</b> 65% Nifty 50 TRI + 22.5% Nifty Composite Debt Index + Domestic Price of Gold + 2.5% Domestic Price of Silver (w.e.f. December 09, 2025)   <i>The risk of the benchmark is high</i>
<ul style="list-style-type: none"> <li>■ To generate long-term capital appreciation / income</li> <li>■ Investments in a diversified portfolio of equity &amp; equity related instruments, debt &amp; money market instruments and Commodities ETFs such as Gold/Silver/other Commodity ETFs as permitted and ETCD</li> </ul>		
<sup>^</sup> Name changed from HDFC Multi - Asset Fund w.e.f. December 09, 2025 *Investors should consult their financial advisers, if in doubt about whether the product is suitable for them. #For latest riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. <a href="http://www.hdfcfund.com">www.hdfcfund.com</a> . Scheme Riskometer as on December 31, 2025		

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**