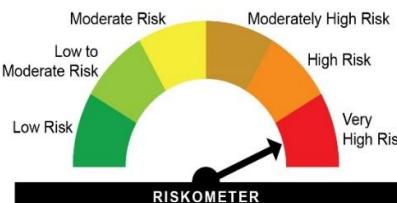


## KEY INFORMATION MEMORANDUM

### **HDFC Nifty India Consumption Fund**

Investment objective	Scheme Risk-o-meter#	Benchmark Risk-o-meter#
<p><b>HDFC Nifty India Consumption Fund:</b></p> <p>Passive investment in equity and equity related securities replicating the composition of the Nifty India Consumption Index (TRI), subject to tracking errors.</p> <p>There is no assurance that the investment objective of the Scheme will be achieved.</p>	 <p>The risk of the scheme is very high</p>	 <p>The risk of the benchmark is very high</p>
<p>Investors should consult their financial advisers, if in doubt about whether the product is suitable for them.</p> <p>The product labeling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.</p> <p>#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>.</p>		

#### **Offer of Units of Rs. 10 each Per Unit for cash during the New Fund Offer Period (NFO) and at NAV based prices upon re-opening**

New Fund Offer (NFO) Opens on:	<b>February 04, 2026</b>
New Fund Offer (NFO) Closes on:	<b>February 13, 2026</b>
Scheme re-opens on:	Scheme will re-open for continuous Sale and Repurchase within 5 business days from the date of allotment of units under NFO

(Any modification to the New Fund Offer Period shall be announced by way of an Addendum uploaded on website of the AMC.)

Name of Mutual Fund (Fund): <b>HDFC Mutual Fund</b> Name of Asset Management Company (AMC): <b>HDFC Asset Management Company Limited</b> Name of Trustee Company: <b>HDFC Trustee Company Limited</b> Address of the entities:	
<b>Asset Management Company (AMC):</b> HDFC Asset Management Company Limited Registered Office: HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020. CIN No: L65991MH1999PLC123027	<b>Trustee Company:</b> HDFC Trustee Company Limited Registered Office: HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020. CIN No. U65991MH1999PLC123026

Website of the entities:  
[www.hdfcfund.com](http://www.hdfcfund.com)

This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. **For further details of the scheme/Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors' rights & services, risk factors, penalties & pending litigations etc. investors should, before investment, refer to the Scheme Information Document ("SID") and Statement of Additional Information ("SAI") available free of cost at any of the Investor Service Centres or distributors or from the website [www.hdfcfund.com](http://www.hdfcfund.com).**

The Scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 1996 ("SEBI (MF) Regulations"), as amended till date, and filed with Securities and Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM.

This Key Information Memorandum is dated January 20, 2026.

#### 1. Name of Scheme

HDFC Nifty India Consumption Fund

#### 2. SEBI Scheme Code

HDFC/O/O/EIN/25/11/0145

#### 3. Category of Scheme

Index Fund

#### 4. Type of Scheme

Not applicable as this is a MF Lite Scheme.

#### 5. Investment Objective

Passive investment in equity and equity related securities replicating the composition of the Nifty India Consumption Index (TRI), subject to tracking errors.

**"There is no assurance that the investment objective of the Scheme will be achieved."**

#### 6. Asset Allocation Pattern of the Scheme

This Scheme tracks Nifty India Consumption Index (TRI).

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Constituents of Nifty India Consumption Index (TRI)	95	100
Plain Vanilla Debt Securities, Government Securities, T-Bills and Money Market Instruments, Repo on Government Securities, Units of Liquid and Overnight schemes of Mutual Fund	0	5

Exposure to Equity derivatives of underlying securities forming part of the index may also be taken up to 20% of the net assets in case the underlying security is not available, portfolio rebalancing, generating

returns on Idle Cash & Cash Equivalent pending its investment in equities etc.

Stock futures / index futures and such other permitted derivative instruments may be undertaken mainly for portfolio rebalancing purpose.

As per clause 12.24.1 of Master Circular, 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. As per SEBI letter to AMFI dated November 3, 2021, 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.

Further, the Scheme may also invest in Securities Lending and Short-Term deposits as per regulatory limits.

The Scheme will not make any investment in -

<b>Sr No.</b>	<b>Types of Instruments</b>
1.	Unlisted debt instrument
2.	Bespoke or complex debt products such as Securitized Debt, Structured obligations (SO rating) and/or credit enhanced debt (CE rating), Securities with special features such as Debt instruments having special features viz. subordination to equity (absorbs losses before equity capital) and/or convertible to equity upon trigger of a pre-specified event for loss absorption
3.	Inter scheme transactions i.e. Transfers
4.	Short Selling
5.	Unrated debt and money market instruments (except G-Secs, T-Bills, TREPS, Repo and Reverse Repo in Government Securities)
6.	Repo/ Reverse Repo in corporate debt securities
7.	Debt Derivatives
8.	Credit Default Swaps
9.	ADR/GDR/Foreign Securities and Units Infrastructure Investment Trusts (InvITs) unless received as corporate action or the instrument/security is added in the benchmark Index as a constituent

The strategies below are given for illustration purposes only. Illustrations for strategies involving derivatives that may be used by the Investment Manager, include:

### **Derivative Strategies**

#### **Basic Structure of an Index Future:**

Index Futures are instruments designed to give exposure to the equity market indices. BSE Limited and the National Stock Exchange of India Limited have started trading in index futures of 1, 2- and 3-month maturities. The pricing of an index future is the function of the Underlying Index and short-term interest rates.

#### **Example:**

#### **Assumptions:**

a) 1-month BSE 30 Future

Spot Index: 4900

Future Price on day 1: 4920

Fund buys 10,000 futures contracts On Date of settlement Future price = Closing spot price = 4950

Profits for the Fund = (4950-4920) \*10000 = Rs. 300,000 + interest for the 1-month period.

b) 1-month BSE 30 Future

Spot Index: 4900

Future Price on day 1: 4920

Fund buys 10,000 futures contracts On Date of settlement Future price = Closing spot price = 4890

Losses for the Fund = (4890-4920) \*10000 = (Rs. -300,000) + interest for the 1-month period.

Please note that the above example is given for illustration purposes only.

The net impact for the Fund will be in terms of the difference between the closing price of the index and cost price (ignoring margins for the sake of simplicity) plus interest costs on funds that would otherwise be invested in stocks comprising the index. The risks associated with index futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and/or mispricing of the future at any time during the life of the contract.

### **Using Index Futures to increase percentage investment in equities**

This strategy will be used for the purpose of generating returns on idle cash, pending its investment in equities. The Scheme is subject to daily flows. There may be a time lag between the inflow of funds and their deployment in stocks. If so desired, the scheme would be able to take immediate exposure to equities via index futures. The position in index futures may be reversed in a phased manner, as the funds are deployed in the equity markets.

Example: The scheme has a corpus of Rs. 50 crore and there is an inflow of Rs. 5 crores in a day. The AMC may buy index futures contracts of a value of Rs. 5 crores. Later as the money is deployed in the underlying equities, the value of the index futures contracts can be suitably reduced.

Portfolio	Event	Equity Portfolio gain/(Loss) (Rs. in crore)	Derivative gain/(Loss) (Rs.in crore)	Total Portfolio gain/(Loss) (Rs. in crore)
Rs. 50 Crore equity exposure	10% rise in equity prices	5	Nil	5
Rs. 50 Crore equity exposure + Rs. 5 Crore long position index futures	10% rise in equity prices	5	0.5	5.5
Rs. 50 Crore equity exposure	10% fall in equity prices	(5)	Nil	(5)

Portfolio	Event	Equity Portfolio gain/(Loss) (Rs. in crore)	Derivative gain/(Loss) (Rs.in crore)	Total Portfolio gain/(Loss) (Rs. in crore)
Rs. 50 Crore equity exposure + Rs. 5 Crore long position index futures	10% fall in equity prices	(5)	(0.5)	(5.5)

### **Basic Structure of a Stock Future:**

Stock Futures are instruments designed to give exposure to stocks in the futures market. Stock futures have 1, 2- and 3-month maturities. The pricing of a stock future is the function of the stock price and short-term interest rates.

#### **Example:**

#### **Assumptions:**

a) 1-month Stock Future

Spot Stock Price: 4900

Future Price on day 1: 4920

Fund buys 10,000 futures contracts On Date of settlement Future price = Closing spot stock price = 4950

Profits for the Fund =  $(4950-4920) * 10000 = \text{Rs. } 300,000$  + interest for the 1-month period.

b) 1-month Stock Future

Spot Stock Price: 4900

Future Price on day 1: 4920

Fund buys 10,000 futures contracts On Date of settlement Future price = Closing spot stock price = 4890

Losses for the Fund =  $(4890-4920) * 10000 = (\text{Rs. } -300,000)$  + interest for the 1-month period.

Please note that the above example is given for illustration purposes only.

The net impact for the Fund will be in terms of the difference between the closing price of the stock and cost price (ignoring margins for the sake of simplicity) plus interest costs on funds that would otherwise be invested in stocks comprising the index. The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and/or mispricing of the future at any time during the life of the contract.

#### **Using Stock Futures in case underlying security is not available for purchase**

This strategy will be used in situations where the underlying security is not available for purchase. In case the stock is unavailable for purchase, the scheme would be able to take exposure to the stock via

stock futures. The position in the stock futures may be reversed in a phased manner, as the funds are deployed in the corresponding stock.

Example: The scheme has holdings of Rs. 50 crore of a stock and needs to purchase an addition Rs. 5 crores of the stock due to inflows. In case the stock is not available for purchase, the scheme may buy stock futures contracts of a value of Rs. 5 crores. Later as the money is deployed in the underlying stock, the value of the stock futures contracts can be suitably reduced.

Stock Exposure	Event	Stock gain/(Loss) (Rs. in crore)	Derivative gain/(Loss) (Rs.in crore)	Total Stock + Derivative gain/(Loss) (Rs. in crore)
Rs. 50 Crore stock exposure	10% rise in stock price	5	Nil	5
Rs. 50 Crore stock exposure + Rs. 5 Crore long position stock futures	10% rise in stock price	5	0.5	5.5
Rs. 50 Crore stock exposure	10% fall in stock price	(5)	Nil	(5)
Rs. 50 Crore stock exposure + Rs. 5 Crore long position stock futures	10% fall in stock price	(5)	(0.5)	(5.5)

For detailed position and exposure limits, refer SAI.

## 7. Investment Strategy

Investment Strategy is disclosed at <https://www.hdfcfund.com/statutory-disclosure/offer-document-disclosures>

## 8. Risk Profile of the Scheme

Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized below:

### Scheme Specific Risk Factors:

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.

The Scheme being thematic in nature carries higher risks versus diversified equity mutual funds on account of concentration and sector specific risks.

The specific risk factors related to the Scheme include, but are not limited to the following:

**(i) Risks associated with Passive Investments:**

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.

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.

**(ii) Tracking Error / Tracking Difference Risk:**

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.

"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: -

- a. Expenditure incurred by the Scheme.
- 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.
- c. Securities trading may halt temporarily due to circuit filters.
- d. Corporate actions such as debenture or warrant conversion, rights, merger, change in constituents etc.
- e. Rounding off of quantity of shares in Underlying Index.
- f. Dividend received from underlying securities.
- g. Disinvestments by Scheme to meet redemptions, recurring expenses, etc.
- h. Execution of large buy / sell orders
  - 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.

### **(iii) 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.

<b>Transaction type</b>	<b>Upper circuit</b>	<b>Lower circuit</b>
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 exchange when the circuit was triggered.</li> <li>2. Buy the stock(s) immediately when circuit is open.</li> </ol> <p>This may impact performance and result in tracking error.</p>	NA
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> <ol style="list-style-type: none"> <li>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</li> </ol>

Transaction type	Upper circuit	Lower circuit
		<p>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>

**(iv) Risk factors associated with investing in equities and equity related instruments**

- **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.

**(v) 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.

#### **(vi) 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.

#### **(vii) 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.

#### **(viii) 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.

#### **(ix) 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.

#### **(x) 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 described under section '**Restrictions, if any, on the right to freely retain or dispose of units being offered**'.
- 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.

#### **(xi) Disclaimer of Index**

##### **Nifty India Consumption (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 (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 (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.

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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.

For details on risk mitigation measures, please refer SID.

## **9. Plans/ Options**

**Plans:** Regular & Direct

Each Plan offers Growth Option Only.

The Plans under the Scheme will have common portfolio.

The AMC reserves the right to introduce further Options as and when deemed fit.

Regular Plan is for investors who wish to route their investment through any distributor. Direct Plan is for investors who wish to invest directly without routing the investment through any distributor.

### **Growth Option**

All Income earned and realized profit in respect of a unit issued under that will continue to remain invested until repurchase and shall be deemed to have remained invested in the option itself which will be reflected in the NAV.

### **Default Plan/Option**

Each Plan offers Growth Option only.

For detailed disclosure on default plans and options, kindly refer SAI.

## 10. Applicable NAV (after the scheme opens for subscriptions and redemptions)

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):

### A] For Purchase (including switch-in) of any amount:

- 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.
- 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.
- 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.

### B] For Switch-ins of any amount:

For determining the applicable NAV, the following shall be ensured:

- Application for switch-in is received before the applicable cut-off time.
- 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.
- The funds are available for utilization before the cut-off time.
- In case of 'switch' transactions from one scheme to another, the allocation shall be in line with redemption payouts.

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.

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.

### C] For Redemption (including switch-out) applications

- 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.
- 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.

### Transactions through online facilities / electronic modes:

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.

The AMC has the right to amend cut off timings subject to SEBI (MF) Regulations for the smooth and efficient functioning of the Scheme.

#### 11. Minimum Application Amount / Number of Units

Purchase (including switch-in)	Additional Purchase (including switch-in)	Redemption (including switch-out)
<b>During NFO Period and continuous offer period (after scheme re-opens for repurchase and sale)</b>		
Rs. 100 and any amount thereafter. <b>Note:</b> Allotment of units will be done after deduction of applicable stamp duty, if any.	Rs. 100 and any amount thereafter. <b>Note:</b> Allotment of units will be done after deduction of applicable stamp duty, if any.	Rs. 100 and in multiples of Re. 1/- thereafter. <b>Note:</b> There will be no minimum redemption criterion for Unit based redemption.

#### 12. Despatch of Redemption Request

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.

#### 13. Benchmark Index

Nifty India Consumption Index (TRI)

#### 14. Dividend / IDCW Policy

Not Applicable as Scheme currently does not offer IDCW Option.

#### 15. Name of the Fund Manager

Ms. Nandita Menezes and Mr. Arun Agarwal

#### 16. Name of the Trustee Company

HDFC Trustee Company Limited

#### 17. Performance of the Scheme

This Scheme is a new Scheme and does not have any performance track record.

#### 18. Additional Scheme related Disclosures

This is a new Scheme and therefore, the requirement of following additional disclosures is currently not applicable for the Scheme:

- i. The tenure for which the fund manager has been managing the Scheme.
- ii. Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors).
- iii. Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as percentage of NAV of the scheme in case of debt and equity ETFs/ Index funds.
- iv. Portfolio Turnover Rate for equity oriented schemes.

However, the following disclosures as and when due will be made available at the below given links:

**Scheme's portfolio holdings** - <https://www.hdfcfund.com/statutory-disclosure/portfolio/monthly-portfolio>

**Exposure to Top 7 issuers, stocks, groups and sectors** - [Factsheet - HDFC Mutual Fund \(hdfcfund.com\)](https://www.hdfcfund.com)

## 19. Scheme Specific Disclosures

### Timelines for deployment of Funds collected during New Fund Offer (NFO) period:

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.

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.

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.

### Tracking Error:

The Scheme(s), 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(s) relative to the performance of the Underlying Index will be relatively low.

The AMC would monitor the tracking error of the Scheme(s) 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). 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.

### Tracking difference:

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.

## 20. Expenses of the Scheme

### 1. Load Structure

Exit Load: NIL

- (i) No Exit Load shall be levied for switching between Plans / Options within the Scheme. However, exit load will be applicable if the units are switched-out / redeemed from the Scheme within the exit load period from the initial date of purchase.

- (ii) No Exit load will be levied on bonus units and on units allotted on Re-investment of Income Distribution cum Capital Withdrawal.
- (iii) No Exit load will be levied on Units allotted in the Target Scheme under the Transfer of Income Distribution cum Capital Withdrawal (IDCW) Plan Facility (TIP Facility).
- (iv) In case of Systematic Transactions such as Systematic Investment Plan (SIP), Flex Systematic Investment Plan (Flex SIP), Systematic Transfer Plan (STP), HDFC Flex Systematic Transfer Plan (Flex STP), HDFC Swing Systematic Transfer Plan (Swing STP), etc., Exit Load, if any, prevailing on the date of registration / enrolment shall be levied.

The AMC/ Trustee if it so deems fit in the interest of smooth and efficient functioning of the Mutual Fund reserves the right to introduce/modify the Load Structure depending upon the circumstances prevailing at that time subject to maximum limits as prescribed under the SEBI (MF) Regulations. While determining the price of the units, the mutual fund shall ensure that the repurchase price of an open ended scheme is not lower than 97 per cent of the Net Asset Value. Exit load (net of GST) charged, if any, shall be credited to the Scheme. The investor is requested to check the prevailing load structure of the Scheme before investing.

## 2. **Recurring Expenses** (% p.a. of daily Net Assets)

The total expenses including the investment management and advisory fees shall not exceed 1.00% of the daily net assets and such other limits as stated in Regulation 52(6).

For the actual current expenses being charged, the investor should refer to the website of the mutual fund. Click here for Total Expense Ratio (TER) - <https://www.hdfcfund.com/statutory-disclosure/total-expense-ratio-of-mutual-fund-schemes/reports>

Click here for factsheet – <https://www.hdfcfund.com/investor-services/factsheets>

The maximum limit of recurring expenses that can be charged to the Scheme would be as per Regulation 52 of the SEBI (MF) Regulation, 1996. Investors are requested to read “Section- Annual Scheme Recurring Expenses” in the SID.

For further details, please refer to the SID.

## **21. Tax Treatment for the Investors (Unit Holders)**

Investors are advised to refer to the details in the Statement of Additional Information and also independently refer to their tax advisor.

## **22. Daily Net Asset Value (NAV) Publication**

The AMC shall update the NAVs on the website of the Fund and AMFI by 11.00 p.m. every Business day.

## **23. For Investor Grievances, Please Contact**

Investors may contact any of the Investor Service Centres (ISCs) of the AMC for any queries / clarifications at telephone number 1800 3010 6767/ 1800 419 7676 (toll free), e-mail: [hello@hdfcfund.com](mailto:hello@hdfcfund.com).

**Registrar and Transfer Agent:**  
**Computer Age Management Services Ltd.,**  
 Unit: HDFC Mutual Fund  
 5th Floor, Rayala Tower, 158, Anna Salai,  
 Chennai - 600 002.  
 Telephone No: 044-30212816  
 Fax No: 044-42032955  
 Email: [enq\\_h@camsonline.com](mailto:enq_h@camsonline.com)

## **24. Unit Holder's Information**

### **Allotment / Refund:**

The AMC shall allot units either in physical form (i.e. account statement) or in dematerialized form / refund money within 5 working days from the closure of the NFO.

**Email ID for communication:**

First / Sole Holders should register their own email address and mobile number in their folio for speed and ease of communication in a convenient and cost-effective manner, and to help prevent fraudulent transactions.

**Account Statements:**

1. The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of 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).
2. 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.
3. 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 the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable.

For further details, refer SAI.

**Periodic Disclosures:**

Sr. No	Name of the Disclosure	Frequency	Timelines	Disclosed on	Link
1.	Half Yearly Results (Unaudited)	Half yearly	within one month from the close of each half year i.e. on 31 <sup>st</sup> March and on 30 <sup>th</sup> September.	AMC website AMFI website	<a href="https://www.hdfcfund.com/statutory-disclosure/scheme-financials">https://www.hdfcfund.com/statutory-disclosure/scheme-financials</a>  <a href="https://www.amfiindia.com/other-data/accounts">https://www.amfiindia.com/other-data/accounts</a>
2.	Annual Report	Annually	not later than four months from the date of closure of the relevant account's year (i.e. 31 <sup>st</sup> March each year).	AMC website AMFI website	<a href="https://www.hdfcfund.com/statutory-disclosure/annual-reports">https://www.hdfcfund.com/statutory-disclosure/annual-reports</a>  <a href="https://www.amfiindia.com/other-data/accounts">https://www.amfiindia.com/other-data/accounts</a>
3.	Daily Performance Disclosure (after scheme completes six months of existence)	Daily	-	AMFI website	<a href="https://www.amfiindia.com/other-data/fund-performance">https://www.amfiindia.com/other-data/fund-performance</a>
4.	Portfolio Disclosure	Monthly/ Half yearly	within 10 days from the close of each	AMC website	<a href="https://www.hdfcfund.com/statutory-disclosure/portfolio/monthly-portfolio">https://www.hdfcfund.com/statutory-disclosure/portfolio/monthly-portfolio</a>

			month/half-year respectively.	AMFI website	<a href="https://www.amfiindia.com/online-center/portfolio-disclosure">https://www.amfiindia.com/online-center/portfolio-disclosure</a>
5.	Monthly Average Asset under Management (Monthly AAUM) Disclosure	Monthly	within 7 working days from the end of the month.	AMC website	<a href="https://www.hdfcfund.com/statutory-disclosure/aum">https://www.hdfcfund.com/statutory-disclosure/aum</a>
6.	Scheme and Benchmark Riskometer	Monthly	within 10 days from the close of each month.	AMC website	<a href="https://www.hdfcfund.com/statutory-disclosure/portfolio">https://www.hdfcfund.com/statutory-disclosure/portfolio</a>
				AMFI website	<a href="https://www.amfiindia.com/online-center/risk-o-meter">https://www.amfiindia.com/online-center/risk-o-meter</a>
7	Tracking Error	Daily	Daily basis	AMC website	<a href="https://www.hdfcfund.com/statutory-disclosure/tracking-error">https://www.hdfcfund.com/statutory-disclosure/tracking-error</a>
8	Tracking Difference (Upon completion of 1 year of the Scheme, tracking difference shall be disclosed on the website of the AMC and AMFI, on a monthly basis)	Monthly	within 10 days from the close of each month.	AMC website	<a href="https://www.hdfcfund.com/statutory-disclosure/tracking-error">https://www.hdfcfund.com/statutory-disclosure/tracking-error</a>
				AMFI website	<a href="https://www.amfiindia.com/other-data/tracking-error">https://www.amfiindia.com/other-data/tracking-error</a>
9	Change in constituents of the index, if any	As and when it is changed	Immediately	AMC website	Refer respective product pages on our website i.e. <a href="http://www.hdfcfund.com">www.hdfcfund.com</a>
10	For Debt and Equity ETFs / Index Funds • Name and exposure to top 7 issuers and stocks respectively as a percentage of NAV of the scheme  • Name and exposure to top 7 groups	Monthly basis	-	Monthly factsheet or in Monthly Portfolio – AMC website	<a href="https://www.hdfcfund.com/investor-services/factsheets">https://www.hdfcfund.com/investor-services/factsheets</a>  <a href="https://www.hdfcfund.com/statutory-disclosure/portfolio/monthly-portfolio">https://www.hdfcfund.com/statutory-disclosure/portfolio/monthly-portfolio</a>

	as a percentage of NAV of the scheme. • Name and exposure to top 4 sectors as a percentage of NAV of the scheme.				
11	Scheme Summary Documents	Monthly	within 15 days from the close of each month or on changes in any of the specified fields, whichever is earlier.	AMC website AMFI website BSE website NSE website	<a href="https://www.hdfcfund.com/investor-services/fund-documents/scheme-summary">https://www.hdfcfund.com/investor-services/fund-documents/scheme-summary</a> <a href="https://www.amfiindia.com/other-data/scheme-details">https://www.amfiindia.com/other-data/scheme-details</a> <a href="https://www.bseindia.com/Static/Markets/MutualFunds/listOfAmc.aspx">https://www.bseindia.com/Static/Markets/MutualFunds/listOfAmc.aspx</a> <a href="https://www.nseindia.com">https://www.nseindia.com</a>
12	Investor Charter	-	As and when updated	AMC website	<a href="Investor Charter - MF.pdf">Investor Charter - MF.pdf</a>

**IMPORTANT**

Before investing, investors should also ascertain about any further changes pertaining to scheme such as features, load structure, etc. made to the Scheme Information Document/ Key Information Memorandum by issue of addenda/ notice after the date of this Document from the AMC/ Mutual Fund/ Investor Service Centres (ISCs)/ Website/ Distributors or Brokers or Investment Advisers holding valid registrations.