HDFC MUTUAL FUND
BHAROSA APNO KA

HDFC MF

Weekend Bytes

A weekly series from HDFC Mutual Fund

When Patience Meets Potential – **HDFC Value Fund**

Periods of heightened uncertainty often test investors' conviction. Geopolitical tensions, inflation concerns or sharp market reactions can lead to phases where market sentiments swing rapidly. In such environments, companies with strong fundamentals may occasionally, trade at valuations disconnected from their long-term potential.

This is where the philosophy of value investing becomes relevant.

Rather than chasing short-term trends, value investing focuses on identifying businesses that appear to be trading below their intrinsic worth.

The HDFC Value Fund adopts such an approach, focusing on companies that appear to be trading below their intrinsic worth or historical valuation levels, while maintaining a diversified portfolio across sectors and market capitalization.

The Approach to Identifying Value Opportunities!

- The investment approach of the HDFC Value Fund broadly revolves around identifying opportunities across three situations.
- The first involves companies trading below their intrinsic value, where market prices may not reflect the long-term earnings potential of the business.
- The second category focuses on turnaround opportunities. Good business that have gone through some temporary challenges but are poised for a turnaround in profitability.
- The third category includes companies trading below their own historical valuation levels.

Performance through Market Cycles

Value investing often requires patience. There can be periods when growth-oriented segments dominate market returns, causing value strategies to lag in the short term. However, over longer horizons, as business performance may improve and market perception changes, valuations may adjust accordingly.

Since its inception in 1994, and having recently completed 32 years, the HDFC Value Fund has experienced a wide range of market environments.

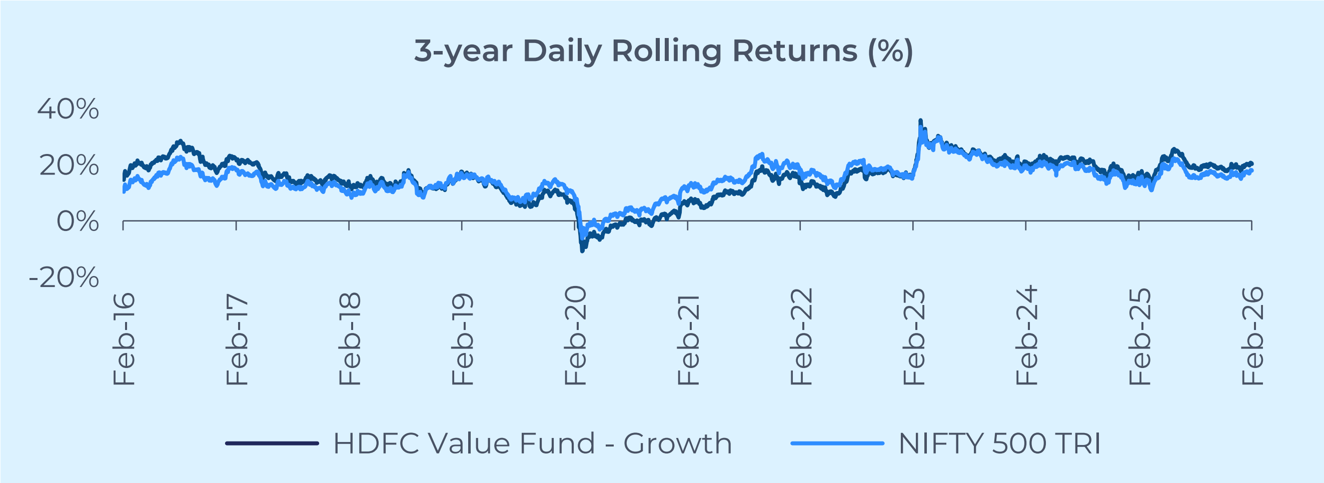
Across market cycles, the fund has followed a disciplined investment approach and delivered better returns.

CAGR (%)	1 Year	3 Years	5 Years	10 Years	15 Years
more than 10	56.6%	69.0%	72.9%	92.9%	99.9%
more than 8	59.8%	73.0%	83.3%	98.8%	100.0%
more than 5	64.5%	78.4%	91.5%	100.0%	100.0%
more than 0	74.0%	85.4%	99.7%	100.0%	100.0%
Less than 0	25.9%	14.6%	0.3%	0.0%	0.0%
Number of Observations	7621	7157	6675	5438	4196

Source:MFI Explorer

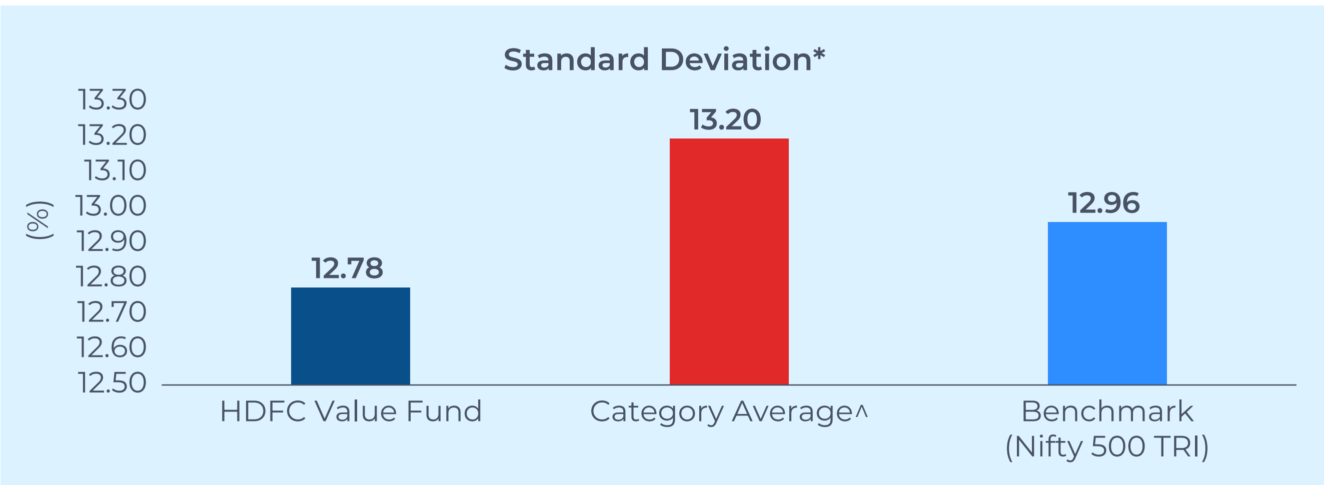
Data as of 27th February 2026 and based on rolling returns calculated since inception at a daily frequency

Performance in Recent Times!



The 3-year daily rolling returns of the Fund has outperformed NIFTY 500 TRI ~99% of the times between 28-Feb-23 and 27-Feb-26.

In addition to better performance, the Fund has exhibited lower volatility. In the table below, you can observe that volatility has remained lower than the Category Average and the NIFTY 500 TRI, reflecting relative stability across market cycles.



*Calculated by taking monthly rolling returns for last 3 years (till 27th Feb 2026)
^Standard Deviation calculated for funds existing prior to 28 Feb 2023 due to the Standard Deviation calculation methodology mentioned above

Apart from volatility, capture ratios also demonstrate a Fund's risk-adjusted performance. Capture ratios exhibit how well the Fund participates in market gains and losses compared to the benchmark.

Capture Ratios*	HDFC Value Fund
Upside Capture Ratio	103.88%
Downside Capture Ratio	91.71%

*Calculated by taking monthly rolling returns for last 3 years (till 27th Feb 2026)

Overall, the Fund's capture ratios indicate relatively better participation in positive market phases compared to the benchmark. Additionally, it shows that it has tended to decline relatively less than the benchmark during market downswings.

Conclusion

Market sentiments can change quickly, but business fundamentals may usually change slowly. During such volatile periods, a disciplined investment approach can help spot opportunities that may otherwise be overlooked.

The **HDFC Value Fund** reflects one such approach, focusing on identifying potential value across sectors and market segments while navigating evolving market conditions.

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HDFC Value Fund

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)	38.50	18.00	12.00	6.00	3.60	1.20
Market Value as on February 27, 2026 (₹ in lacs)	1,144.35	61.22	26.38	8.78	4.38	1.25
Returns (%)	**16.87**	**14.93**	**15.07**	**15.25**	**13.29**	**8.30**
Benchmark Returns (%)#	**N.A.**	**14.25**	**14.66**	**12.71**	**10.46**	**5.33**
Additional Benchmark Returns (%)##	**13.32**	**13.10**	**13.47**	**11.03**	**9.27**	**4.55**

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 February 27, 2026 ₹756.828 (per unit)

Period	Scheme Returns (%)	Benchmark Returns (%)#	Additional Benchmark Returns (%)##	Value of investment of (₹) 10,000		
				Scheme (₹)	Benchmark (₹)#	Additional Benchmark (₹)##
Last 1 Year	20.22	17.62	15.07	12,016	11,757	11,503
Last 3 Years	20.41	17.97	14.64	17,458	16,420	15,066
Last 5 Years	16.70	14.86	12.93	21,659	20,006	18,379
Last 10 Years	16.11	16.08	15.09	44,550	44,428	40,781
Since Inception*	14.43	NA	11.08	756,828	NA	291,638

Common notes for above table A & B: Past performance may or may not be sustained in future and is not a guarantee of any future returns. *Inception Date: February 01, 1994. The scheme is managed by Mr. Anand Laddha since February 01, 2024. # NIFTY 500 Index (TRI). ## Nifty 50 Index (TRI). 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. As NIFTY 50 TRI data is not available since inception of the scheme, additional benchmark performance is calculated using composite CAGR of NIFTY 50 PRI values from February 1, 1994 to June 29, 1999 and TRI values since June 30, 1999. Load is not taken into consideration for computation of performance. Returns greater than 1 year period are compounded annualized (CAGR). N.A.: Not Available. Returns as on February 27, 2026.

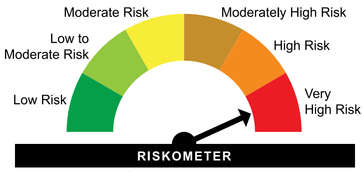
For performance of other funds managed by fund manager, Please click here.

HDFC Value Fund (An open ended equity scheme following a value investment strategy) is suitable for investors who are seeking*:

- To generate long-term capital appreciation / income in the long term
- Investment primarily in undervalued stocks

*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 and Benchmark Riskometer as on February 28, 2026.

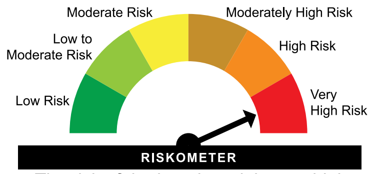
Riskometer #



The risk of the scheme is very high

Name of the Benchmark and Riskometer

NIFTY 500 Index (TRI)



The risk of the benchmark is very high

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