

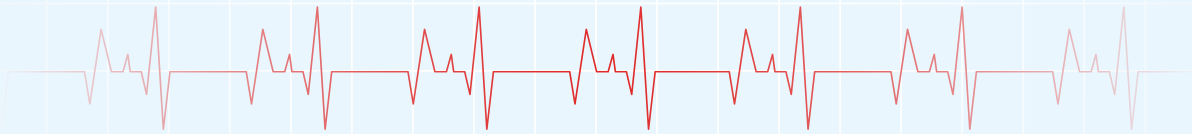
HDFC MF

Weekend Bytes

A weekly series from HDFC Mutual Fund

Making Volatility Your Friend: Lessons from Recent Market Turbulence





Markets, much like a heartbeat for human, cannot exist without ups and downs. A straight, flat line may appear calm, but that does not reflect life. In contrast, a healthy heartbeat rises and falls, just as market volatility reflects an active, functioning market. Volatility, therefore, is not a flaw, but a natural and integral part of equity investing.

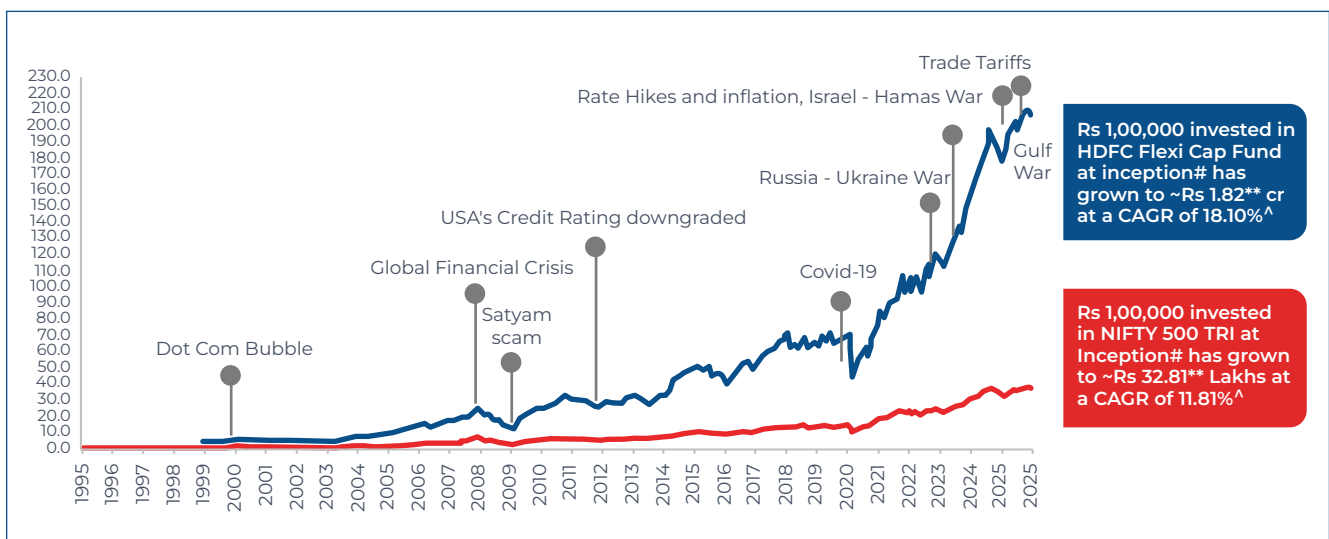
Recently, equity markets witnessed periods of heightened volatility due to the recent geopolitical tensions. the **Nifty 50 Total Return Index (TRI)** corrected by about **~15% by the end of March 2026 from its high (02/01/2026)**. Subsequently, the index recovered by **~9% from the low (30/03/2026) by mid April 2026**. Notably, this is not the first instance of such extreme volatility, nor will it be the last. Volatility has been the nature of the markets.

So, what should investors do to tackle such situations?

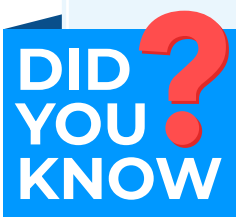


01 Think long term...really long term

Consider the performance of **HDFC Flexi Cap Fund** vs its benchmark Nifty 500 TRI. Benefit is likely to have been reaped by investor who stayed invested for long, through the episodes of volatility. The scheme was able to beat its benchmark amid the uncertainty following these events.



HDFC Flexi Cap Fund[^]- NAV is up 182 times* since inception i.e 1st Jan 95' vs 33 times* for benchmark NIFTY 500 TRI during the same period



Even during market lows, long term investing could remain resilient. For example, HDFC Flexi Cap Fund delivered a 10 year return of around 15.86% p.a.*, even during market lows amid recent volatility.

#Inception Date: January 1, 1995.

*As on 31st March, 2026

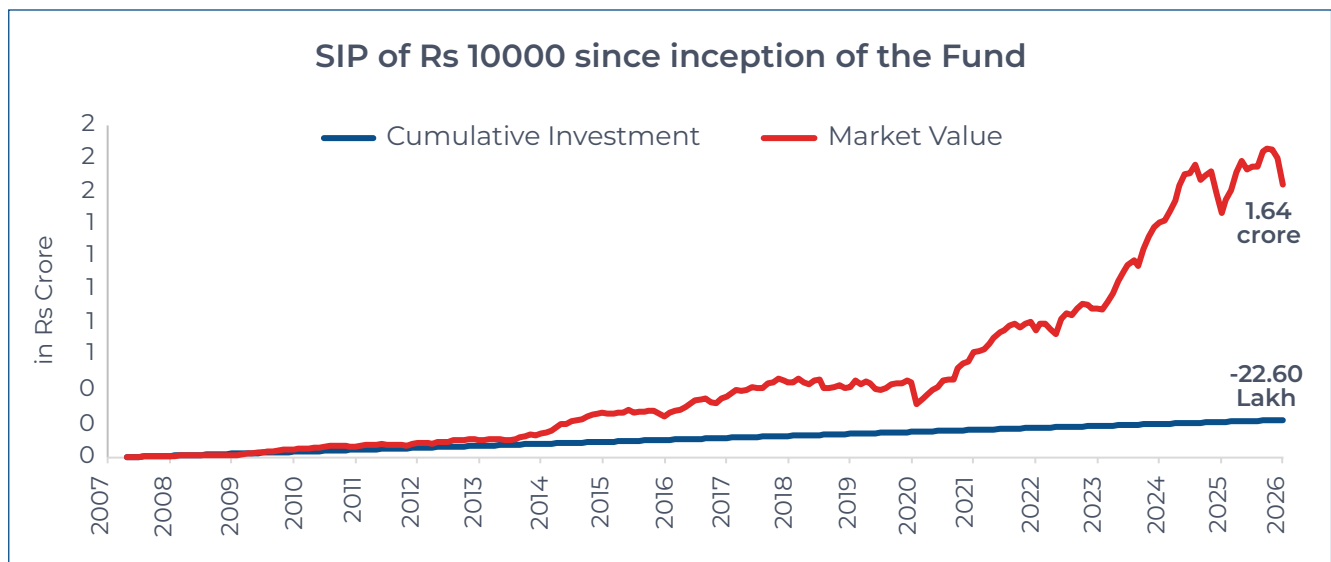
Disclaimer: [^]Past performance may or may not be sustained in future and is not a guarantee of any future returns. ^{**}As on 31st March, 2026. The above returns are of regular plan - growth option. HDFC Mutual Fund/AMC is not guaranteeing any returns on investments made in this Fund. In view of the individual circumstances and risk profile, each investor is advised to consult his / her professional advisor before making a decision to invest in the Scheme. Historical performance indications and financial market scenarios are not reliable indicators of current or future performance. HDFC Mutual Fund/AMC is not guaranteeing returns on investments made in the Scheme and/or should not be construed as an advice for investing in the above stocks/sectors. TRI - Total Returns Index.

02 SIPs – How they Smoothen the Entry Points

Systematic Investment Plans (SIPs) are considered to have an impact during volatile markets, as they enforce disciplined investing regardless of market direction.

SIPs continue purchasing units across varying market conditions – buying more units at lower prices during downturns. This could lead to improved returns when looked at from a long-term perspective.

Consider a monthly SIP of ₹ 10,000 in **HDFC Mid Cap Fund**. Investment is assumed to be made at the start of each month. Investment period – Fund Inception (June 25, 2007) till March 01, 2026.



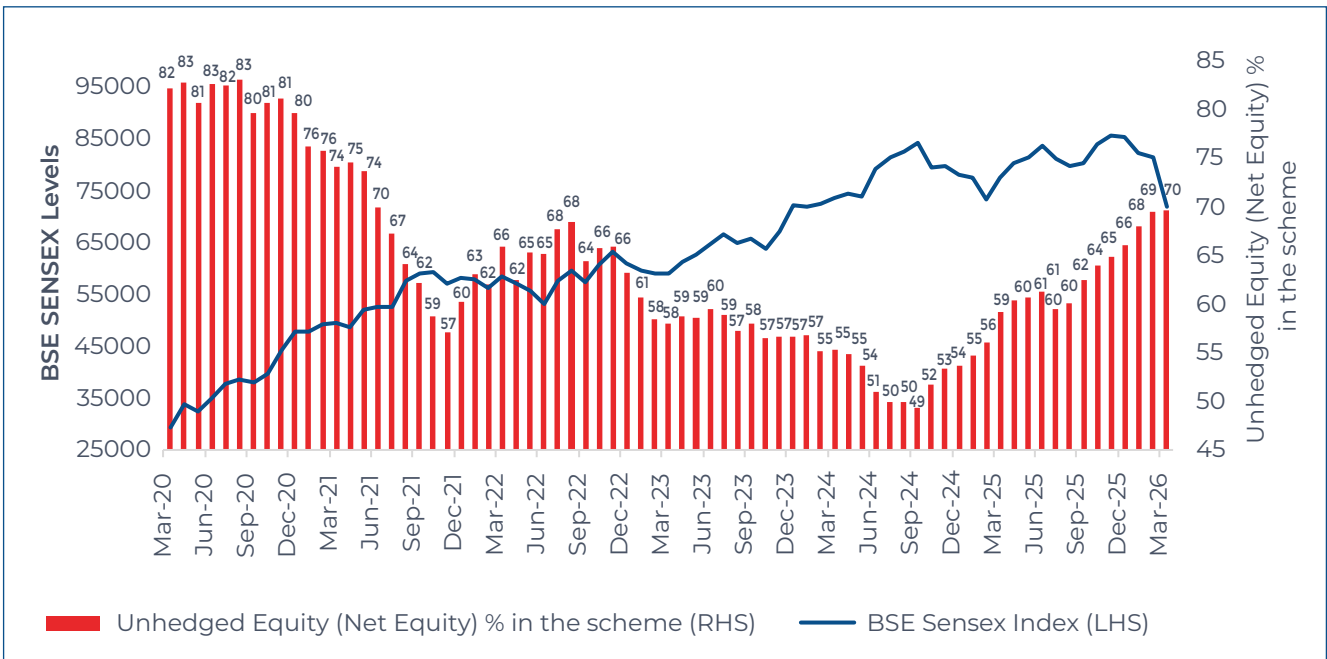
The SIP investment has grown to a value of ~₹1.64 Cr for a cumulative investment amount of ₹22.60 lakhs.**

Scheme Inception Date: June 25, 2007. The above NAV's are of Regular Plan - Growth Option. **Past Performance may or may not be sustained in future returns and is not a guarantee of any future returns.** Data as on March 31, 2026.



03 Hybrid funds could help hide volatility and support asset allocation

Hybrid funds invest across equity and debt, which can help reduce portfolio fluctuations during volatile markets while maintaining equity participation over time. For example, funds like **HDFC Balanced Advantage Fund** dynamically manage equity* and debt exposure based on market conditions, helping investors stay aligned to asset allocation without the need for frequent manual adjustments.



For further details on asset allocation of the Scheme, refer to the respective Scheme Information Document. Note: *The scheme maintains equity allocation (hedged + unhedged) at minimum 65% all points of time. The above framework is broadly indicative and the fund manager may change the same depending on the market conditions. Data as on March 31, 2026

04 You don't have to react

Another vital aspect to investing amid volatility is to possess the right temperament. Here are some tips to deal with volatility –



Avoid checking your portfolio too frequently, as daily fluctuations may encourage unnecessary reactions that could be detrimental to long term outcomes.



Keep emotions in check during volatile periods and take investment decisions only after careful and rational evaluation.



Avoid being stock specific, especially in uncertain market conditions. Individual stocks can face heightened and unpredictable risks, whereas a diversified approach through mutual funds could help manage volatility more effectively.

It is not easy to time the market, and you cannot control the market forces. Therefore, it is important to stick to your investment plan, manage your temperament and be prepared to hold on to your investments for a long period of time amid volatile markets. Make volatility your friend!



HDFC Flexi Cap 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)	37.50	18.00	12.00	6.00	3.60	1.20
Market Value as on March 31, 2026 (₹ in lacs)	1,994.10	61.57	27.12	8.34	3.95	1.09
Returns (%)	20.04	14.99	15.57	13.16	6.12	-16.07
Benchmark Returns (%)#	14.17	12.74	12.15	7.37	1.36	-18.21
Additional Benchmark Returns (%)##	12.96	11.59	10.98	5.80	0.46	-18.44

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


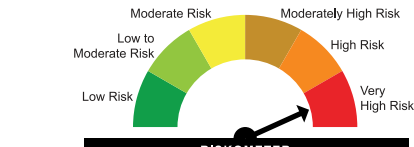
NAV as at March 31, 2026. ₹1817.592 (per unit)

Period	Scheme Returns (%)	Benchmark Returns (%)#	Additional Benchmark Returns (%)##	Value of investment of (₹) 10,000		
				Scheme (₹)	Benchmark (₹)#	Additional Benchmark (₹)##
Last 1 Year	-1.55	-2.87	-3.97	9,845	9,712	9,601
Last 3 Years	17.44	13.22	10.03	16,207	14,513	13,320
Last 5 Years	17.90	11.88	10.01	22,793	17,531	16,113
Last 10 Years	15.86	13.51	12.54	43,619	35,512	32,594
Since Inception*	18.10	11.81	11.11	1,817,592	328,131	269,104

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. *Inception Date: January 1, 1995. The scheme is managed by Mr. Amit Ganatra since February 01, 2026. # NIFTY 500 Index (TRI). ## Nifty 50 Index (TRI). The above returns are of Regular Plan – Growth Option. Returns greater than 1 year period are compounded annualized (CAGR). Load is not taken into consideration for computation of performance. 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. 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 January 1, 1995 to June 29, 1999 and TRI values since June 30, 1999. Above returns are as on March 31, 2026.

Benchmark and Additional Benchmark performance is computed as on 30th March, 2026, since values for 31st March 2026 are not available.

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

HDFC Flexi Cap Fund (An open ended dynamic equity scheme investing across large cap, mid cap & small cap stocks.) is suitable for investors who are seeking*:	<p style="text-align: center;">Riskometer #</p>  <p style="text-align: center;">The risk of the scheme is very high</p>	<p style="text-align: center;">Name of the Benchmark and Riskometer</p> <p style="text-align: center;">NIFTY 500 Index (TRI)</p>  <p style="text-align: center;">The risk of the benchmark is very high</p>
<ul style="list-style-type: none"> To generate long-term capital appreciation/ income Investment predominantly in equity & equity related instruments 		
<p>*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 March 31, 2026.</p>		

HDFC Mid Cap 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)	22.60	18.00	12.00	6.00	3.60	1.20
Market Value as on March 31, 2026 (₹ in lacs)	164.37	81.76	30.04	8.82	4.04	1.12
Returns (%)	18.36	18.23	17.48	15.43	7.62	-11.90
Benchmark Returns (%)#	16.57	17.45	16.87	12.79	5.26	-14.85
Additional Benchmark Returns (%)##	11.36	11.59	10.98	5.80	0.46	-18.44

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

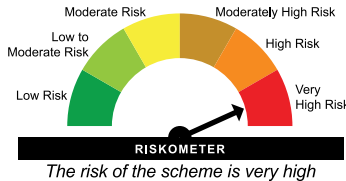
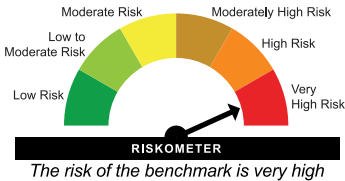
NAV as on March 31, 2026 ₹180.278 (per unit)

Period	Scheme Returns (%)	Benchmark Returns (%)#	Additional Benchmark Returns (%)##	Value of investment of (₹) 10,000		
				Scheme (₹)	Benchmark (₹)#	Additional Benchmark (₹)##
Last 1 Year	3.90	2.26	-3.97	10,390	10,227	9,601
Last 3 Years	21.79	20.34	10.03	18,074	17,427	13,320
Last 5 Years	19.67	17.50	10.01	24,558	22,395	16,113
Last 10 Years	17.39	17.50	12.54	49,732	50,192	32,594
Since Inception*	16.65	14.26	10.51	180,278	122,211	65,334

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. Load is not taken into consideration for computation of performance. #NIFTY MIDCAP 150 (TRI) ## Nifty 50 Index (TRI). *Inception Date: June 25, 2007. The Scheme is managed by Mr. Chirag Setalvad (since June 25, 2007). Returns greater than 1 year period are compounded annualized (CAGR). 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 March 31, 2026.

Benchmark performance is computed as on 30th March, 2026, since values for 31st March 2026 are not available.

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

HDFC Mid Cap Fund (An open ended equity scheme predominantly investing in mid cap stocks) is suitable for investors who are seeking*:	Riskometer #	Name of the Benchmark and Riskometer
<ul style="list-style-type: none"> To generate long-term capital appreciation / income Investment predominantly in Mid-cap companies 	 <p>The risk of the scheme is very high</p>	<p>NIFTY MIDCAP 150 (TRI)</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. #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 March 31, 2026.</p>		

HDFC Balanced Advantage 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)	38.60	18.00	12.00	6.00	3.60	1.20
Market Value as on March 31, 2026 (₹ in lacs) ^{\$\$}	1,460.95	54.53	24.21	7.92	3.83	1.12
Returns (%) ^{\$\$}	17.90	13.58	13.46	11.07	4.15	-12.17
Benchmark Returns (%) [#]	N.A.	9.71	9.01	5.84	2.85	-9.52
Additional Benchmark Returns (%) ^{##}	12.72	11.59	10.98	5.80	0.46	-18.44

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

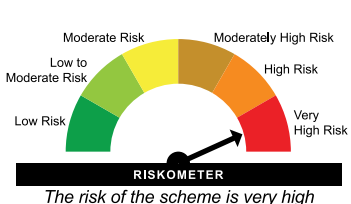
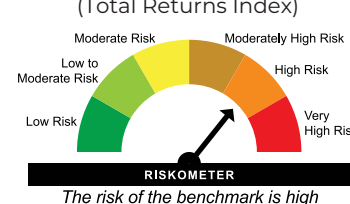
NAV as at March 31, 2026. ₹483.490 (per unit)

Period	Scheme Returns (%) ^{\$\$}	Benchmark Returns (%) [#]	Additional Benchmark Returns (%) ^{##}	Value of investment of (₹) 10,000		
				Scheme (₹) ^{\$\$}	Benchmark (₹) [#]	Additional Benchmark (₹) ^{##}
Last 1 Year	-1.39	-0.64	-3.97	9,861	9,936	9,601
Last 3 Years	14.34	8.39	10.03	14,955	12,737	13,320
Last 5 Years	15.43	7.99	10.01	20,503	14,691	16,113
Last 10 Years	13.92	10.17	12.54	36,831	26,345	32,594
Since Inception*	17.49	NA	10.64	1,789,378	NA	258,679

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. *Inception Date: February 01, 1994. The scheme is co-managed by Mr. Gopal Agrawal (Equity Portfolio) (since July 29, 2022), Mr. Srinivasan Ramamurthy (Equity Portfolio) (since July 29, 2022), Mr. Arun Agarwal (Arbitrage Assets) (since October 6, 2022), Nandita Menezes (Arbitrage Assets) (since March 29, 2025) and Mr. Anil Bamboli (Debt Portfolio) (since July 29, 2022). # NIFTY 50 Hybrid Composite Debt 50:50 Index (Total Returns Index). ## Nifty 50 Index (TRI). \$\$ All Distributions declared prior to the splitting of the Scheme into IDCW & Growth Options are assumed to be reinvested in the units of the Scheme at the then prevailing NAV (ex-distribution NAV). 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. Scheme performance may not strictly be comparable with that of its Additional Benchmark in view of balanced nature of the scheme where a portion of scheme's investments are made in debt instruments. Returns greater than 1 year period are compounded annualized (CAGR). Load is not taken into consideration for computation of performance. 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. N.A.: Not Available. Returns as on March 31, 2026

Benchmark performance is computed as on 30th March, 2026, since values for 31st March 2026 are not available.

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

HDFC Balanced Advantage Fund (An open ended balanced advantage fund) is suitable for investors who are seeking*:	Riskometer #	Name of the Benchmark and Riskometer
<ul style="list-style-type: none"> To generate long-term capital appreciation / income Investments in a mix of equity and debt instruments 	 <p>The risk of the scheme is very high</p>	 <p>The risk of the benchmark is high</p>
<p>*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 March 31, 2026.</p>		

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