HDFC MUTUAL FUND
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HDFC MF

Weekend Bytes

A weekly series from HDFC Mutual Fund

Navigating Crisis Waves:

How Staggered Lumpsum Investments via STPs Keep You Afloat



Imagine you are on a beach vacation, wanting to try your hand at surfing. The waves are high, unpredictable, even intimidating. Some people rush in, hoping to catch the “perfect wave”. Others stay away completely, fearing the chaos.



But a seasoned surfer knows better. You step in gradually, adjust to the rhythm, and let the tide work in your favour.

Investing during market volatility is no different.

Investing everything at once may expose you to short-term downside. Waiting indefinitely may mean missing opportunities.

Ride the Market Waves with Staggered Lumpsum Investments via STPs

A Systematic Transfer Plan (STP) allows you to:

- Park your lump sum in a relatively lower-risk fund
- Gradually transfer a fixed amount into an equity-oriented fund over time
- Help spread investments over multiple periods, effectively averaging the cost of investing.

Akash and Prakash, two brothers, received a lump sum of ₹30 lakh each from the sale of a family property. They received the proceeds during a period of heightened market volatility.

Akash preferred investing in equities using a phased approach, while Prakash remained on the sidelines fearing volatility of equity markets and decided to put his amount in a savings account.

Let's see how their decisions played out across two major market disruptions.

Scenario 1



Investing Through the 2008 Global Financial Crisis



Akash

- 01 August 2008: Invested ₹30,00,000 in **HDFC Arbitrage Fund**^
- From 01 October 2008: Started a Systematic Transfer Plan (STP) into **HDFC Large Cap Fund**^^
- STP Amount: ₹2,50,000 per month for 12 months



Prakash

- 01 August 2008: Waited on the sidelines and parked his Rs. 30 Lakhs in his savings account.

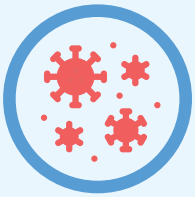
At the end of his STP cycle, on 30th Sep 2009, Aakash's investment value in HDFC Large Cap Fund was Rs.47.74 Lakhs. with Rs. 1.61 Lakhs remaining in the HDFC Arbitrage Fund, leading to a final corpus of 49.35 Lakhs

Meanwhile Prakash's funds in the savings account amounted to Rs.31.14 Lakhs*

^ - NAVs used of HDFC Arbitrage - WP - Growth Plan.
^^ - NAVs used of HDFC Large Cap Fund - Regular - Growth Plan.
Source: MFI Explorer
*Interest Rate of 3.5% p.a is considered. Source: SBI
For Complete performance and other details please refer page 6.

Scenario 2

Investing Through the COVID-19 Market Shock





Akash

- 01 January 2020: Invested ₹30,00,000 in **HDFC Arbitrage Fund**^
- From 01 March 2020: Started a monthly STP into **HDFC Large Cap Fund**^^
- STP Amount: ₹2,50,000 per month for 12 months



Prakash

- 01 January 2020: Waited on the sidelines and parked his 30 Lakhs in his savings account.

At the end of his STP cycle, on 28th Feb 2021, Aakash's investment value in HDFC Large Cap Fund was Rs.40.81 Lakhs. with Rs. 73,107 corpus remaining in the HDFC Arbitrage Fund, leading to a total corpus of 41.54 Lakhs.

While Prakash accumulated Rs.30.97 Lakhs** in the same time period.

^ - NAVs used of HDFC Arbitrage - WP - Growth Plan.
^^ - NAVs used of HDFC Large Cap Fund - Regular - Growth Plan.
Source: MFI Explorer
**Interest Rate of 3.0% p.a is considered. Source: SBI
Complete performance and other details please refer page no 7.

In both scenarios, Aakash's STP was already in motion well before markets reached their lowest point during the crisis. As markets eventually bottomed out, this allowed him to benefit from one of the key advantages of an STP which is accumulating a higher number of units at lower market levels causing Aakash to end up with a higher corpus compared to Prakash, highlighting the potential benefits of disciplined deployment of funds during uncertain times.



Takeaway!

Markets are unpredictable but your investment approach doesn't have to be. Using relatively lower-volatility funds as a parking avenue, and gradually transferring into equities through STPs, may help:

- ✔ **Smoothen market entry**
- ✔ **Reduce timing risk**
- ✔ **Improve experience during volatile phases**

As Akash's journey shows, when markets turn volatile, how you invest can matter as much as where you invest.



HDFC Arbitrage 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)	22.20	18.00	12.00	6.00	3.60	1.20
Market Value as on March 30, 2026 (₹ in lacs)	40.75	28.75	16.12	7.07	3.98	1.24
Returns (%)	**6.18**	**5.97**	**5.76**	**6.52**	**6.70**	**6.07**
Benchmark Returns (%)#	**N.A.**	**6.07**	**6.02**	**7.17**	**7.55**	**7.39**
Additional Benchmark Returns (%)##	**6.25**	**6.23**	**5.91**	**6.12**	**6.12**	**4.25**

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: ₹31.998 (per unit)

Period	Scheme Returns (%)	Benchmark Returns (%)#	Additional Benchmark Returns (%)##	Value of investment of (₹) 10,000		
				Scheme (₹)	Benchmark (₹)#	Additional Benchmark (₹)##
Last 1 Year	6.09	7.24	5.30	10,609	10,729	10,530
Last 3 Years	7.00	7.68	6.66	12,253	12,487	12,136
Last 5 Years	5.94	6.41	5.64	13,345	13,643	13,158
Last 10 Years	5.62	5.62	6.07	17,287	17,277	18,034
Since Inception*	6.51	N.A.	6.22	31,998	N.A.	30,426

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 50 Arbitrage Index (Total Returns Index) ## CRISIL 1 Year T-Bill Index. *Inception Date: October 23, 2007. The Scheme is managed by Mr. Anil Bamboli (Debt Assets) (since February 01, 2022), Mr. Arun Agarwal (Arbitrage Assets) (since August 24, 2020) and Nandita Menezes (Arbitrage Assets) (since March 29, 2025). Returns greater than 1 year period are compounded annualized (CAGR). N.A. Not Available. Scheme performance is not strictly comparable with that of its Additional Benchmark since the scheme does not take directional call in equity markets but is limited to availing arbitrage opportunities, etc.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. For. Scheme Returns and Additional Benchmark Returns as on March 31, 2026.

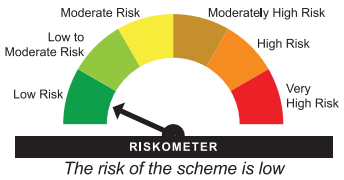
Benchmark performance is computed as on 30th March, 2026, since values for 31st March 2026 are not available.

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

HDFC Arbitrage Fund (An open ended scheme investing in arbitrage opportunities) is suitable for investors who are seeking*:

- Income over short term.
- Income through arbitrage opportunities between cash and derivative market and arbitrage opportunities within the derivative segment.

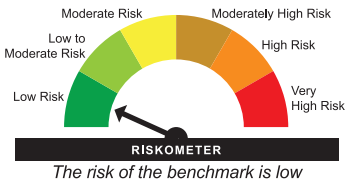
Riskometer #



The risk of the scheme is low

Name of the Benchmark and Riskometer

NIFTY 50 Arbitrage Index (Total Returns Index)



The risk of the benchmark is low

*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.

HDFC Large 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)	35.40	18.00	12.00	6.00	3.60	1.20
Market Value as on March 30, 2026 (₹ in lacs)	80,838	46.83	21.46	7.20	3.60	1.07
Returns (%)	**17.16**	**11.81**	**11.20**	**7.26**	**0.15**	**-18.52**
Benchmark Returns (%)#	**N.A.**	**11.83**	**11.02**	**6.10**	**0.80**	**-18.37**
Additional Benchmark Returns (%)##	**13.31**	**11.31**	**10.47**	**4.52**	**-1.27**	**-20.77**

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

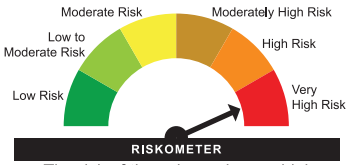
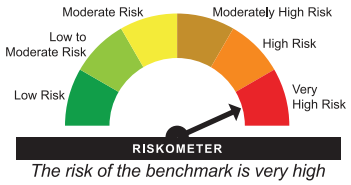
NAV as on March 31, 2026: ₹1019.47 (per unit)

Period	Scheme Returns (%)$$	Benchmark Returns (%)#	Additional Benchmark Returns (%)##	Value of investment of (₹) 10,000		
				Scheme (₹)$$	Benchmark (₹)#	Additional Benchmark (₹)##
Last 1 Year	-5.42	-3.85	-5.98	9,458	9,613	9,399
Last 3 Years	11.42	11.21	8.15	13,835	13,753	12,649
Last 5 Years	12.16	10.30	9.05	17,753	16,327	15,423
Last 10 Years	12.67	12.64	12.34	32,981	32,892	32,037
Since Inception*	17.77	N.A.	12.89	12,43,047	N.A.	357,307

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 100 Total Returns Index (TRI) ## BSE SENSEX Index (TRI). *Inception Date: October 11, 1996. The Scheme is managed by Mr. Rahul Baijal (since July 29, 2022). $$ 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). N.A. Not Available. The above returns are for Regular Plan - Growth Option. Returns greater than 1 year period are compounded annualized (CAGR). Different plans viz. Regular Plan and Direct Plan have 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. Scheme Returns 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 Large Cap Fund (An open ended equity scheme predominantly investing in large cap stocks) is suitable for investors who are seeking*:	**Riskometer #**	**Name of the Benchmark and Riskometer**
■ To generate long-term capital appreciation / income ■ Investment predominantly in Large-cap companies	 *The risk of the scheme is very high*	NIFTY 100 Total Returns Index (TRI)  *The risk of the benchmark is very high*

*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.

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.