

HDFC MF

Weekend Bytes

A weekly series from HDFC Mutual Fund

Healthy India, Healthy Returns?

Investing in the Pharma & Healthcare Opportunity



hdfcfund.com

“The greatest wealth is health.”

While this phrase has always held true, healthcare has become one of the world’s biggest investment sectors. Rising life expectancy, increasing lifestyle diseases, growing health awareness and continuous medical innovation are reshaping how countries spend on healthcare.

India is no exception.

Today, India’s healthcare ecosystem extends well beyond pharmaceutical manufacturing. It encompasses hospitals, diagnostics, medical devices, contract research, biotechnology, health insurance and digital healthcare, creating multiple avenues for long-term growth.



What is driving the opportunity?



1. Rising Healthcare Spending

As incomes increase, healthcare is gradually becoming a larger part of household spending. Preventive healthcare, specialised treatments and diagnostics are witnessing strong demand across urban as well as semi-urban India.

At the same time, government initiatives aimed at improving healthcare access and infrastructure continue to support long-term sector growth.



2. India Strengthening its Position as the “Pharmacy of the World”

India is one of the world’s largest suppliers of generic medicines and vaccines. Its manufacturing capabilities, skilled scientific workforce and cost competitiveness have enabled Indian pharmaceutical companies to build a significant global presence.



3. Initiatives Supporting the Sector

Policy support has further strengthened the sector’s long term outlook. The Government of India’s Production Linked Incentive (PLI) schemes for pharmaceuticals, bulk drugs, and medical devices aim to encourage domestic manufacturing and reduce import dependence.

Why HDFC Pharma and Healthcare Fund?

HDFC Pharma and Healthcare Fund is an open-ended equity scheme investing in pharma and healthcare companies.

The fund seeks to capture opportunities across the broader healthcare value chain by investing in businesses that could benefit from India’s expanding healthcare ecosystem and growing global competitiveness.

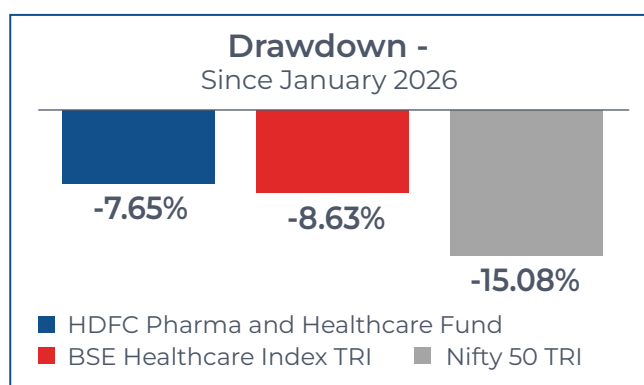
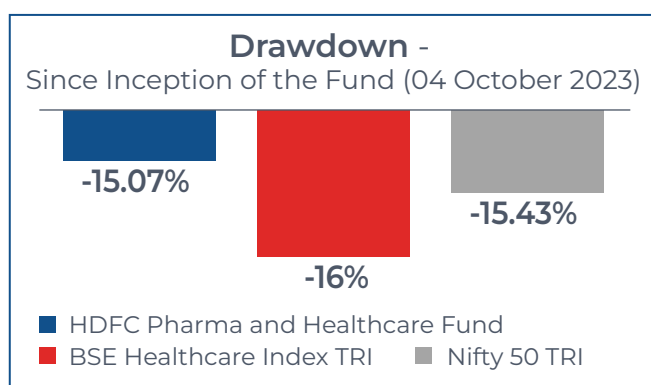


Resilience Amid Market Volatility!

Market corrections are inevitable in investing. Since inception, the HDFC Pharma and Healthcare Fund has exhibited lower drawdowns compared to its benchmark and the Nifty 50 TRI.

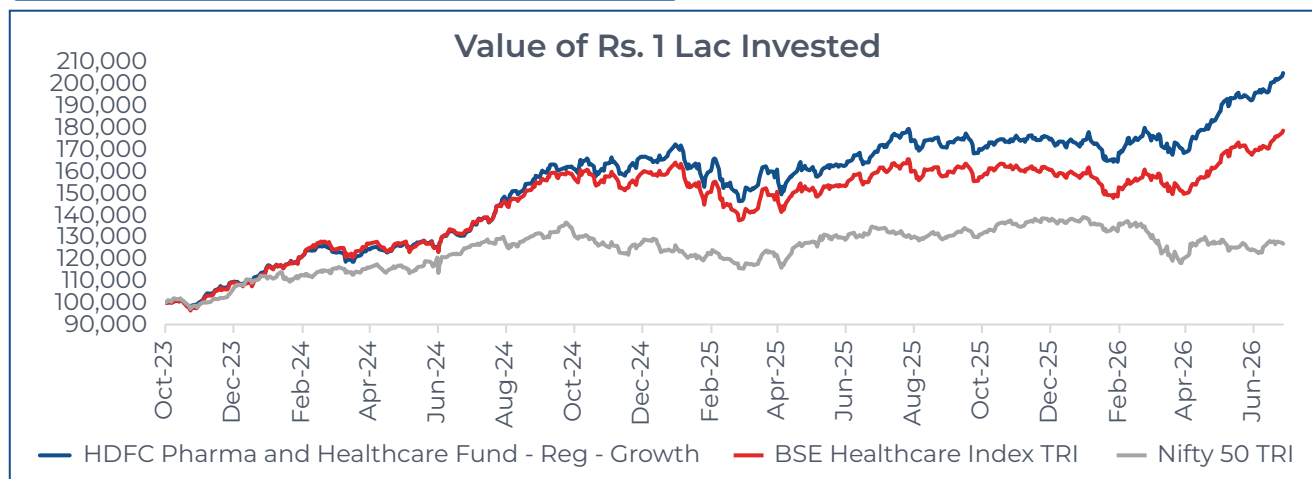
Drawdown is basically a decline in an investment's value from its peak to its lowest point over a given period before it recovers.

Even during the recent period of market stress, the Fund has shown resilience by showing lower drawdowns than the two indices.



Source: MFI360 Explorer. Data as of 30th June 2026

Resilience Amid Market Volatility!



Source: MFI360 Explorer. Data as of 30th June 2026

As reflected in the chart above, an investment of Rs. 1,00,000 in the Fund since inception (04 October 2023) has grown to approximately Rs. 2.04 lakh as of 30th June 2026. This performance meaningfully outpaces the broader market benchmarks. Over the same period, the BSE Healthcare Index TRI rose to Rs. 1.78 lakh, while the Nifty 50 TRI reached Rs. 1.27 lakh.

Past performance may or may not be sustained in future and is not a guarantee of any future returns.

This highlights the strength of its portfolio strategy and the consistency of its execution across market cycles. This outperformance underscores the Fund's emphasis on disciplined stock selection and a focused approach to opportunities within the healthcare space.

However, because the Fund follows a sectoral/thematic strategy, it carries higher concentration risk, meaning its performance may be more sensitive to volatility in a particular sector compared to diversified funds

How Does it Fare in it's category?

Over the last 1 year, 2 years, and since inception, the Fund has outperformed both its category average and benchmark. This sustained outperformance across different time periods reinforces the Fund's ability to effectively identify opportunities and translate them into consistent investment outcomes for investors.

Scheme	Returns (%)		
	Last 1 Year	Last 2 Years	Since Inception of the HDFC Pharma and Healthcare Fund
HDFC Pharma and Healthcare Fund*	21.20	24.65	29.72
Category Average#	12.35	15.23	21.60
BSE Healthcare Index TRI	12.00	15.88	23.54

Source: MFI360 Explorer, As of 30th June 2026

*Regular-Growth considered, #Regular-Growth schemes considered

Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Conclusion

The Story of India's healthcare sector is no longer just about medicines. It is about innovation, research, technology, manufacturing and improving quality of life. As this ecosystem continues to evolve, **HDFC Pharma and Healthcare Fund** aims to capture opportunities across the broader healthcare value chain, enabling investors to participate in this long-term structural growth story.



HDFC Pharma and Healthcare Fund

A. SIP Performance[^] - Regular Plan - Growth Option

	Since Inception [*]	1 year SIP
Total Amount Invested (₹ in lacs)	3.30	1.20
Market Value as on June 30, 2026 (₹ in lacs)	4.58	1.41
Returns (%)	24.80	33.94
Benchmark Returns (%) [#]	17.41	24.24
Additional Benchmark Returns (%) ^{##}	2.32	-5.63

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

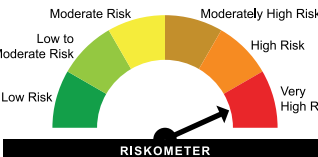
B. Performance[^] - Regular Plan - Growth Option

NAV as at June 30, 2026 ₹20.401 (per unit)

Period	Scheme Returns (%)	Benchmark Returns (%) [#]	Additional Benchmark Returns (%) ^{##}	Value of investment of (₹) 10,000		
				Scheme (₹)	Benchmark (₹) [#]	Additional Benchmark (₹) ^{##}
Last 1 Year	21.20	12.00	-5.42	12,120	11,200	9,458
Since Inception [*]	29.72	23.54	9.05	20,401	17,845	12,678

Common notes for the above table A & B: [^]Past performance may or may not be sustained in future and is not a guarantee of any future returns. Load is not taken into consideration for computation of performance. [#]BSE Healthcare Index (TRI) ^{##}Nifty 50 Index (TRI). ^{*}Inception Date: October 4, 2023. The Scheme is managed by Mr. Nikhil Mathur (October 4, 2023). 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. Load is not taken into consideration for computation of performance. Returns as on June 30, 2026.

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

HDFC Pharma and Healthcare Fund (An open-ended equity scheme investing in Pharma and healthcare companies) is suitable for investors who are seeking*: - To generate long-term capital appreciation - Investment predominantly in equity & equity related instruments of Pharma and healthcare companies.	Riskometer #  <i>The risk of the scheme is very high</i>	Benchmark Riskometer# BSE Healthcare Index (TRI)  <i>The risk of the benchmark is very high</i>
*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 June 30, 2026.		

The Schemes being Sectoral/Thematic in nature carries higher risks versus diversified equity mutual funds on account of concentration and sector/theme specific risks

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