Format for disclosure of Stress Test & Liquidity Analysis

AMFI Scheme Code	As of (Portfolio date)	Fund name	AUM (Rs. Cr)	Stress Test		Concentration					Volatility			Valuation				
				Pro-rata liquidation after removing bottom 20% of portfolio based on scrip liquidity (considering 10% PV with 3x volumes)		Liability side	Asset side (AUM held in)				Portfolio Annualised Standard Deviation (%)	Benchmark Annualised Standard Deviation (%)	Portfolio Beta	Portfolio Trailing 12m PE	Benchmark PE			Portfolio Turnover Ratio
				50% portfolio	25% portfolio	Top 10 investor (%)	Large Cap (%)	Mid Cap (%)	Small Cap (%)	Cash (%)					Trailing 12m PE	Trailing 12m PE 1 year ago	Trailing 12m PE 2 years ago	
				(A)	(B)	(C.)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)
105758	31-10-2026	HDFC Mid Cap Fund	1,00,688	43	21	1.16%	10.97%	65.45%	16.70%	6.88%	16.08%	18.58%	0.8221	26.84	26.27	34.12	42.98	0.03
130502	31-10-2026	HDFC Small Cap Fund	38,961	54	27	3.45%	6.93%	9.12%	74.14%	9.81%	17.83%	22.13%	0.7571	19.80	30.85	36.35	33.21	0.06

Note:
(1) 3-Month Daily Average traded volumes on both NSE and BSE.
(2) Large -Cap /Mid Cap /Small Cap as per List Published by AMFI
(3) Standard Deviation(H), Beta(I) and Portfolio Turnover Ratio (N) as per AMFI Best Practice Guidelines Circulars no. 61 & 64 dated 14-Sep-2015 and 29-Oct-2015 respectively and as disclosed in Monthly Factsheets
(4) Cash shall be assumed to be used on a Pro-rata basis
(5) PV – Participation Volume
(6) PE – Price to Earnings Ratio

Explanation:

Stress test results:
1). Stress test results given at column A and B above indicates number of days that will be required to liquidate 50% and 25% of the portfolio respectively on a pro-rata basis, under stress condition.

2). While calculating the time taken to liquidate portfolio on pro-rata basis, the 20% of least liquid securities of the portfolio are ignored.

3). While it is not mandatory for AMCs to sell securities on pro-rate basis (i.e. sell securities in the same ratio as the portfolio composition), for the purpose of stress test it is assumed that Mutual Fund Scheme will sell the securities on pro-rata basis to ensure equal treatment to all investors of the scheme.

Concentration Liability Side: Column C indicates % of AUM held by top 10 investors of the scheme.

Concentration Asset Side: Column D, E and F indicates % of scheme AUM invested in large cap, mid cap and small cap securities, and Column G indicates % held in cash.

Terminologies:

Standard Deviation indicates how widely a stock or portfolio's returns varies from its mean over a given period of time. The more spread apart the data is, the higher the deviation.
While Standard Deviation measures volatility, there are also varying degrees by which it is considered accurate. For each standard deviation, there is an increasing level of reliability as shown below :
→ 1 Standard Deviation = 68.27% reliability
→ 2 Standard Deviations = 95.45% reliability
→ 3 Standard Deviations = 99.73% reliability

Let's say you own a mutual fund scheme that has a Standard Deviation of 21% and an average annual return of 8%. What this means is that basis the historical data for standard deviation and returns, 68.27% of the time it can be expected that the investment will produce return in the range of -13% (i.e., 8% - 21%) to 29% (i.e., 8% + 21%) over any given year.

Annualized Standard Deviation is the Standard Deviation applied to the annual rate of return of an investment, and provides insights on the historical volatility of that investment. Multiplying monthly standard deviation by the square root of twelve (12) is an industry standard method of approximating annualized standard deviations of monthly returns.

Portfolio Beta:
Beta (β) is a measure of the volatility — or systemic risk — of a security or portfolio compared to the market as a whole (usually the broad market index such as BSE-500 or NSE-500). Stocks with betas higher than 1.0 can be interpreted as more volatile than the broad market index. In short, Beta is the risk-reward measurement that informs investors how sensitive their portfolio is to market changes. The market benchmark index is considered as 1.0, and for the lowest possible volatility in a portfolio, investors need to try to remain as close to a 1.0 as possible.

Beta over 1.0 indicates a higher sensitivity to market volatility. For example, a portfolio with a Beta=3 is prone to being more unstable and may go up or down more than the market goes up or down.

Beta lower than 1.0 indicates a less sensitive reaction to market volatility. For example, a portfolio with a beta less than 1.0 will typically perform close to market performance.

A portfolio being a collection of multiple stock holdings, Portfolio beta is the measure of an entire portfolio's sensitivity to market changes while stock beta is just a snapshot of an individual stock's volatility.

Portfolio Trailing 12m PE ratio:
The Price-to-earnings (P/E) ratio is one of the most widely used valuation methods as it accounts for a company's actual earnings instead of projected earnings.

The P/E ratio indicates how much investors are willing to pay for ₹1 of the company's earnings per share (EPS). This helps determine how much an investor is willing to pay for ₹1 of earnings for that particular company. For a given company, whether the value of current P/E is suitable depends on various factors including sector, growth propects, business cycle etc.

Portfolio turnover is a measure of how frequently assets within a mutual fund scheme are bought and sold by the fund manager over a given period of time. Portfolio turnover is calculated by taking either the total amount of new securities purchased or the number of securities sold (whichever is less) over a particular period, divided by the total net asset value (NAV) of the fund. The measurement is usually reported for a 12-month time period.
For example, a 5% portfolio turnover ratio suggests that 5% of the portfolio holdings changed over a one-year time period. A ratio of 100% or greater indicates that all the securities in the fund were either sold or replaced with other holdings over a one-year period and would have a higher transaction cost.