

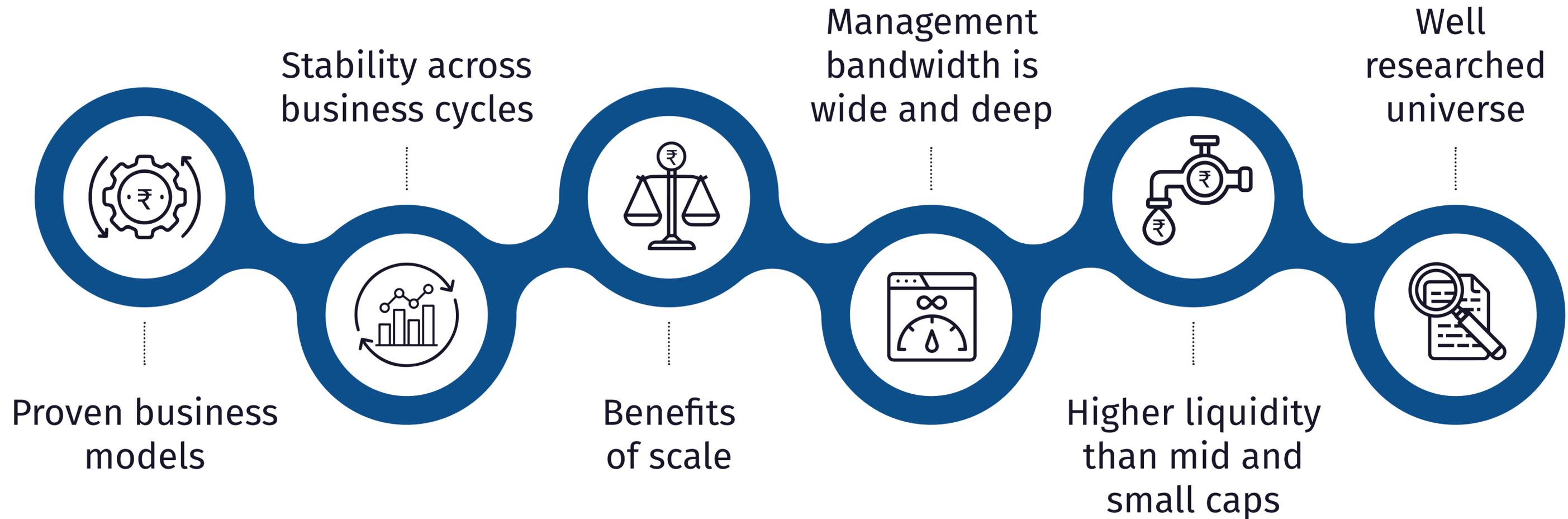
# Get the titans on your side.

## HDFC TOP 100 FUND

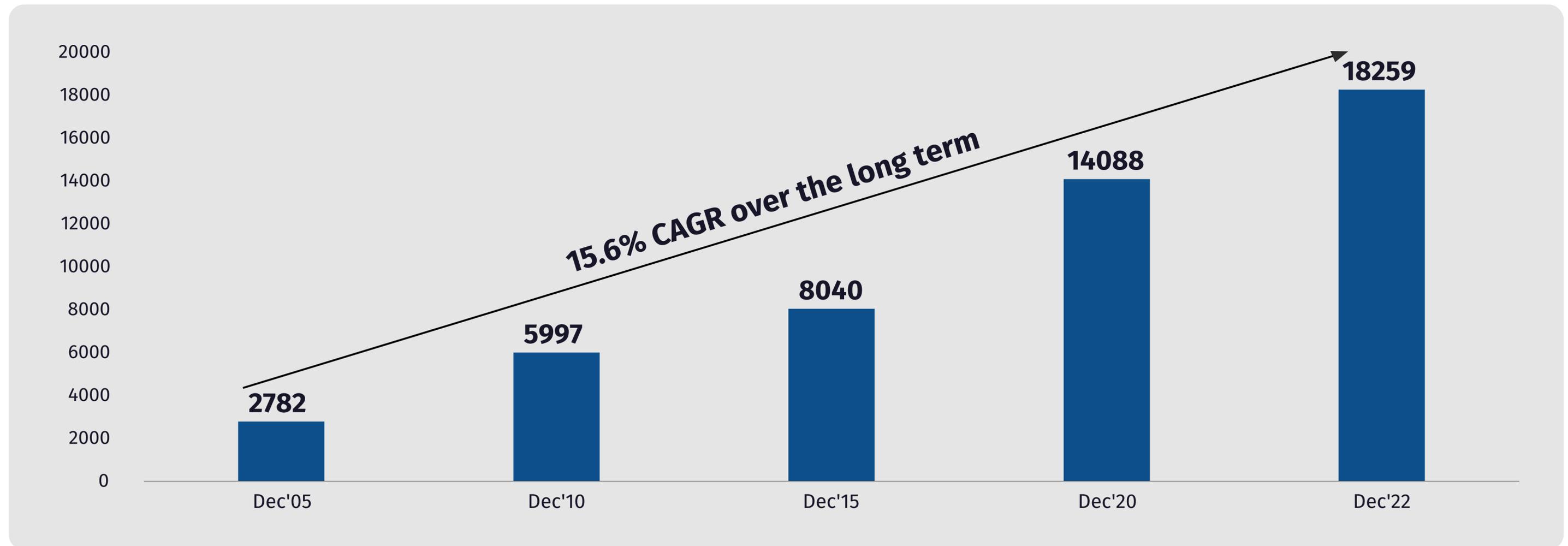
(An open ended equity scheme predominantly investing in large cap stocks)

# Why Large Caps?

# Why Large Caps?



## NIFTY 100 Returns



Large Caps have been consistent compounders over the long term

Source: MFI; Internal Calculations

For disclaimer refer slide 23

# Returns vs Volatility

|                     | 3 year Rolling Returns |                      |                        | 5 year Rolling Returns |                      |                        | 10 year Rolling Returns |                      |                        |
|---------------------|------------------------|----------------------|------------------------|------------------------|----------------------|------------------------|-------------------------|----------------------|------------------------|
|                     | Nifty 100 TRI          | Nifty Midcap 150 TRI | Nifty Smallcap 250 TRI | Nifty 100 TRI          | Nifty Midcap 150 TRI | Nifty Smallcap 250 TRI | Nifty 100 TRI           | Nifty Midcap 150 TRI | Nifty Smallcap 250 TRI |
| Nos of observations |                        | 3656                 |                        |                        | 3170                 |                        |                         | 1923                 |                        |
| Minimum             | -6.5                   | -17.2                | -17.5                  | -0.7                   | -2.3                 | -6.2                   | 5.5                     | 7.3                  | 2.5                    |
| Maximum             | 40.7                   | 39.6                 | 43.6                   | 24.4                   | 29.1                 | 27.7                   | 18.3                    | 23.3                 | 20.2                   |
| Average             | 12.0                   | 14.0                 | 11.5                   | 12.3                   | 14.5                 | 11.6                   | 12.2                    | 14.9                 | 12.1                   |
| Std Dev             | 6.9                    | 11.1                 | 13.1                   | 4.8                    | 6.7                  | 7.8                    | 2.6                     | 3.4                  | 3.6                    |
| Risk Return Ratio   | 1.8                    | 1.3                  | 0.9                    | 2.6                    | 2.2                  | 1.5                    | 4.6                     | 4.4                  | 3.4                    |

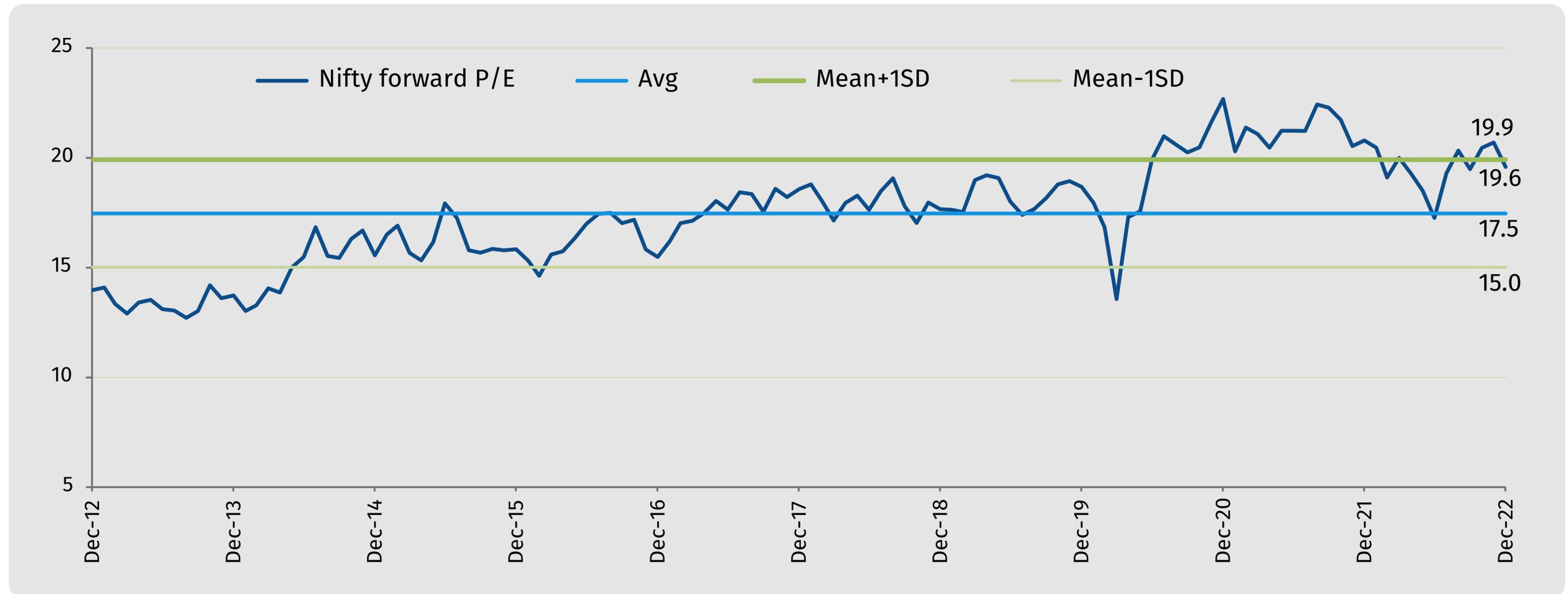
**Stable return is seen in large caps across horizons with relatively lower volatility**

Source: MFI; Internal Calculations; Data for the period 1st Apr '05 to 30th Dec'22

For disclaimer refer slide 23

# Large Caps – Relatively Attractive

## NIFTY 100 Valuations



Source: Bloomberg

For disclaimer refer slide 23

# **HD** **DFC** **Top** **100** **Fund**



|  |  |
|--|--|
| <b>Investment Style</b>                              | Blend of Growth At Reasonable Price and Value  |
| <b>Portfolio Construction</b>                        | Bottom up approach to stock picking blended with top down sector and macro trends<br>While doing bottom up stock selection, pay attention to company's positioning and trends in business, sector and valuation cycles |
| <b>Stock Selection – 3 pronged framework</b>         | <ul style="list-style-type: none"><li>➤ Business models</li><li>➤ Management and</li><li>➤ Financial metrics</li></ul>   |
| <b>Valuations</b>                                    | Emphasis on valuations and to remain mindful of them throughout the investment journey   |
| <b>Aim to create Optimally Diversified Portfolio</b> |  |
| <b>Medium to Long Term Approach</b>                  |  |

# 3 pronged framework

## Business Model

- Companies with strong moats
- Strong processes and systems which come with scale and size
- Long track record of riding through business cycles

## Management

- Experienced management with strong track record
- Demonstrated good corporate governance

## Financial Metrics

- Attractive ROE/ROCE
- Strong cash flow generation
- Healthy balance sheets

## Sizing vs Benchmark (NIFTY 100 TRI)

- Active positions in a controlled manner while ensuring compliance with regulatory and internal risk guidelines.
- Any high conviction bets will be taken after a considered evaluation of the company's positioning in the industry and the business cycle and regularly evaluated on a risk-reward basis

## Diversification

- Diversified in number of stocks and be measured on sector deviations vs benchmark.
- Endeavors to maintain a Mid cap exposure in the range of 5-15% (in normal course) and not exceeding 20%



# Diverse Performance across sectors

| Rank | 2005       | 2006       | 2007       | 2008       | 2009       | 2010       | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023*      |
|------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 1    | Metal      | FMCG       | Metal      | Metal      | FMCG       | Metal      | FMCG       | FMCG       | FMCG       | Auto       | Pharma     | Energy     | Metal      | Realty     | Bank Index | FMCG       | Metal      | Metal      | FMCG       |
| 2    | IT         | Auto       | Infra      | Energy     | Energy     | IT         | Bank Index | Pharma     | Pharma     | IT         | Auto       | FMCG       | Energy     | IT         | IT         | IT         | Auto       | Energy     | Auto       |
| 3    | Bank Index | Infra      | IT         | Infra      | Pharma     | Auto       | IT         | Auto       | Bank Index | Pharma     | Bank Index | Auto       | Realty     | Energy     | Energy     | Pharma     | IT         | IT         | Bank Index |
| 4    | Infra      | Energy     | Bank Index | Bank Index | Auto       | Bank Index | Auto       | IT         | IT         | Infra      | IT         | IT         | Bank Index | Metal      | FMCG       | Infra      | Realty     | Realty     | Metal      |
| 5    | FMCG       | Pharma     | Energy     | FMCG       | IT         | Realty     | Pharma     | Bank Index | Auto       | FMCG       | Infra      | Bank Index | Auto       | Bank Index | Pharma     | Energy     | Bank Index | Infra      | Infra      |
| 6    | Pharma     | IT         | Pharma     | Pharma     | Bank Index | Pharma     | Energy     | Infra      | Energy     | Metal      | Realty     | Pharma     | Infra      | FMCG       | Infra      | Realty     | Infra      | Pharma     | Energy     |
| 7    | Auto       | Metal      | Auto       | Auto       | Infra      | Infra      | Infra      | Energy     | Realty     | Bank Index | FMCG       | Metal      | FMCG       | Auto       | Realty     | Bank Index | Pharma     | Bank Index | Realty     |
| 8    | Energy     | Bank Index | FMCG       | IT         | Metal      | FMCG       | Metal      | Realty     | Infra      | Energy     | Energy     | Infra      | Pharma     | Infra      | Metal      | Auto       | Energy     | Auto       | Pharma     |
| 9    |            |            |            |            |            | Energy     | Realty     | Metal      | Metal      | Realty     | Metal      | Realty     | IT         | Pharma     | Auto       | Metal      | FMCG       | FMCG       | IT         |

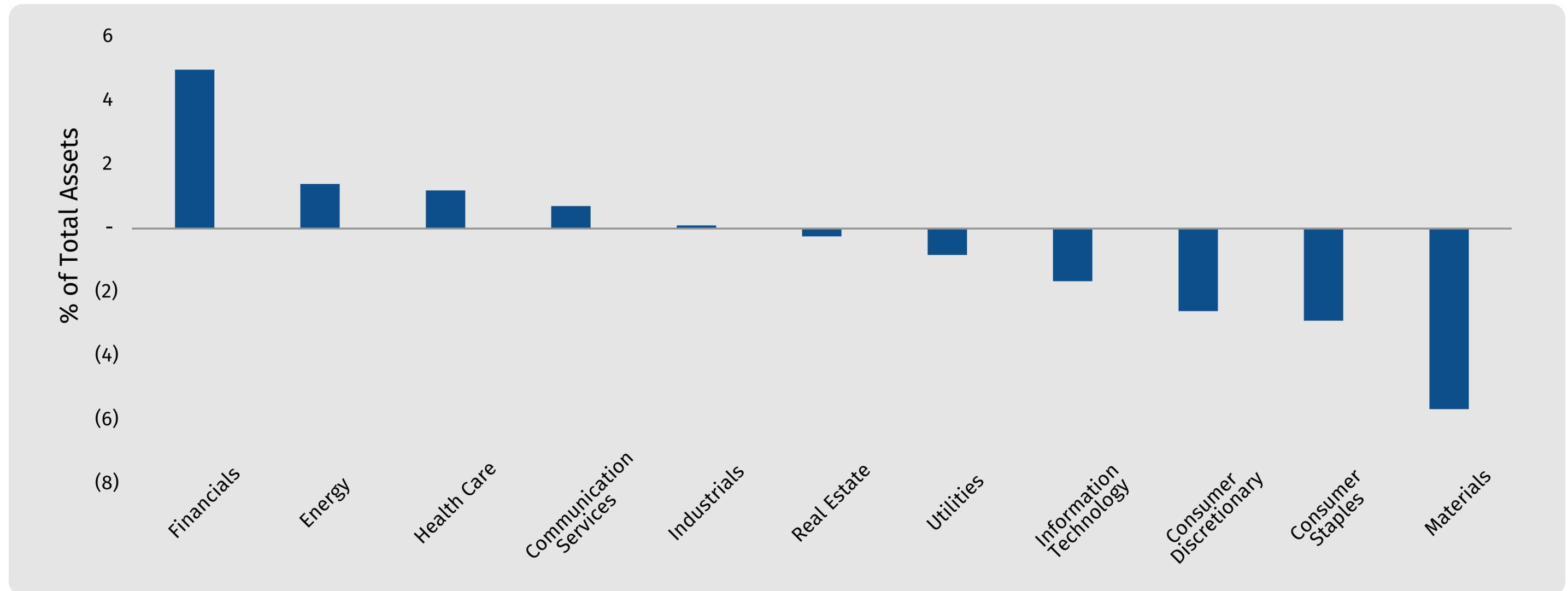
Source: MFI, Internal calculations; indices used are of NSE  
 Returns are for Financial years, \* upto 30th Dec, 2022  
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# Current Positioning



# Current Portfolio Positioning – 31<sup>st</sup> December 2022

## Overweights/ (Underweights) vs Benchmark



As of Dec 31, 2022. For complete portfolio details refer [www.hdfcfund.com](http://www.hdfcfund.com).

For disclaimer refer slide 23

# HDFC Top 100 Fund – Portfolio Characteristics



## Top 10 Holdings

| Company                              | % to NAV | Benchmark | Active Weight |
|--------------------------------------|----------|-----------|---------------|
| HDFC Bank Ltd.                       | 8.78     | 7.6       | 1.1           |
| ICICI Bank Ltd.                      | 8.74     | 6.6       | 2.1           |
| Reliance Industries Ltd.             | 6.78     | 9.4       | -2.6          |
| Infosys Limited                      | 6.06     | 5.9       | 0.2           |
| Housing Development Fin. Corp. Ltd.£ | 5.50     | 5.1       | 0.4           |
| ITC Ltd.                             | 4.57     | 3.1       | 1.5           |
| State Bank of India                  | 4.44     | 2.5       | 1.9           |
| NTPC Limited                         | 4.01     | 0.8       | 3.2           |
| Axis Bank Ltd.                       | 3.89     | 2.7       | 1.2           |
| Larsen and Toubro Ltd.               | 3.86     | 2.7       | 1.2           |

## Key Portfolio Metrics

|  |       |
|--|-------|
| Number of Stocks                                   | 51    |
| Top 5 equity and equity related holdings (%)*      | 35.9  |
| Top 10 equity and equity related holdings (%)*     | 56.6  |
| Total equity and equity related holdings (%)*      | 94.5  |
| > Large Cap (%)                                    | 87.8  |
| > Mid Cap (%)                                      | 6.8   |
| > Small Cap (%)                                    | 0.0   |
| Cash, Cash Equivalents and Net Current Assets (%)* | 5.5   |
| Overlap with Benchmark %                           | 65.2  |
| AUM (Rs. In crore)                                 | 22703 |
| Portfolio Turnover Ratio % ^                       | 14.7  |
| Non benchmark Stocks %                             | 6.8   |

As of 31st Dec 2022. £ Sponsor

\* As a % of net assets

^ Computed for the 3-yr period ended Dec 31, 2022. Based on month-end NAV.

For complete portfolio details refer [www.hdfcfund.com](http://www.hdfcfund.com).

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# HDFC Top 100 Fund – Portfolio Changes – December'22

| Sector                 | As on 31 <sup>st</sup> Dec'22 | As on 31 <sup>st</sup> Jul'22 | Change | OW/UW as on 31 <sup>st</sup> Dec'22 | OW/UW as on 31 <sup>st</sup> Jul'22 |
|------------------------|-------------------------------|-------------------------------|--------|-------------------------------------|-------------------------------------|
| Financials             | 39.5                          | 37.2                          | 2.2    | 5.0                                 | 3.3                                 |
| Energy                 | 12.5                          | 16.5                          | -4.0   | 1.4                                 | 4.8                                 |
| Health Care            | 4.8                           | 5.2                           | -0.3   | 1.2                                 | 1.1                                 |
| Communication Services | 3.4                           | 2.6                           | 0.8    | 0.7                                 | 0.1                                 |
| Industrials            | 6.2                           | 6.3                           | -0.1   | 0.1                                 | 1.5                                 |
| Real Estate            | 0.0                           | 0.0                           | 0.0    | -0.2                                | -0.3                                |
| Utilities              | 4.0                           | 5.6                           | -1.6   | -0.8                                | 1.8                                 |
| Information Technology | 10.9                          | 12.0                          | -1.1   | -1.6                                | -1.5                                |
| Consumer Discretionary | 3.8                           | 4.1                           | -0.3   | -2.6                                | -2.6                                |
| Consumer Staples       | 6.7                           | 6.1                           | 0.6    | -2.9                                | -3.9                                |
| Materials              | 2.8                           | 1.9                           | 0.9    | -5.7                                | -6.9                                |

For complete portfolio details refer [www.hdfcfund.com](http://www.hdfcfund.com); OW/UW – Overweight/Underweight,

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# HDFC Top 100 Fund – Entry and Exits



MUTUAL FUND

BHAROSA APNO KA

## Entry

### October'22

| Security | Industry                   |
|----------|----------------------------|
| SRF Ltd. | Chemicals & Petrochemicals |

### September'22

| Security  | Industry |
|---|----------|
| Cholamandalam Investment & Finance Company Ltd. | Finance  |
| Indusind Bank Ltd.                              | Banks    |

### August'22

| Security                          | Industry                           |
|-----------------------------------|------------------------------------|
| Tata Consumer Products Ltd.       | Agricultural Food & other Products |
| Zee Entertainment Enterprises Ltd | Entertainment                      |

## Exits

### December'22

| Security                                     | Industry  |
|--|-----------|
| ICICI Prudential Life Insurance Company Ltd. | Insurance |

### October'22

| Security                    | Industry                        |
|-----------------------------|---------------------------------|
| Dr Reddys Laboratories Ltd. | Pharmaceuticals & Biotechnology |
| Bank of India               | Banks                           |

### September'22

| Security                             | Industry           |
|--------------------------------------|--------------------|
| Indian Oil Corporation Ltd.          | Petroleum Products |
| Power Grid Corporation Of India Ltd. | Power              |
| Tech Mahindra Ltd.                   | IT - Software      |

### August'22

| Security                                     | Industry  |
|--|-----------|
| CESC Ltd.                                    | Power     |
| GAIL (India) Ltd.                            | Gas       |
| ICICI Lombard General Insurance Company Ltd. | Insurance |

For complete portfolio details refer [www.hdfcfund.com](http://www.hdfcfund.com); There were no new entries and exits in November and there were no new entries in December

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# HDFC Top 100 Fund – Positioning Rationale

| Sector                      | NIFTY 50 Earnings CAGR | Valuations  |             | Positioning       | Remarks  |
|-----------------------------|------------------------|-------------|-------------|-------------------|--|
|                             | FY22-25E               | P/E – FY25E | P/B – FY25E | HDFC Top 100 Fund |  |
| Financials                  | 19%                    | 16.3        | 2.5         | Overweight        | With falling slippages and increasing resolution of NPAs provisioning costs are expected to fall sharply resulting in sharp increase in profitability of corporate books in banks. ROE outlook is improving for Banks  |
| Health Care                 | 16%                    | 20.1        | 3.4         | Overweight        | Multiple headwinds being faced currently in US generics; complex generics and specialty formulations in US and domestic formulation businesses have a healthy outlook  |
| Consumer Staples ex Tobacco | 16%                    | 45.6        | 12.3        | Underweight       | Valuations above long term averages while demand environment remains subdued.  |
| Consumer Discretionary      | 78%                    | 18.9        | 3.7         | Underweight       | Underweight given the expensive valuations and subdued demand outlook. However, within discretionary, we are positive on autos, as the CV and PV cycle outlook remains strong.   |
| Industrials                 | 28%                    | 17.5        | 3.1         | Overweight        | Proposed capex of 2.5% of GDP in FY23 Budget (average spend was 1.8% in past 5 years) would act as enabler for capex growth & NIP pipeline of USD 1.8 trillion over FY2019-25 and should aid growth in infrastructure spending<br><br>Government's Production Linked Incentive (PLI) Scheme should provide much needed impetus to manufacturing in India and can aid multi-year uptick in capex cycle. |

HDFC Mutual Fund/AMC is not guaranteeing any returns on investments made in this Fund. The above statements / analysis should not be construed as an investment advice or a research report or a recommendation to buy or sell any security covered under the respective sector/s. 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. Sectors referred above are illustrative and are not recommended by HDFC Mutual Fund/AMC. The Fund may or may not have any present or future positions in these sectors. For Complete portfolio please visit [www.hdfcfund.com](http://www.hdfcfund.com)

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# HDFC Top 100 Fund – Positioning



MUTUAL FUND

BHAROSA APNO KA

| Sector                     | NIFTY 50 Earnings CAGR | Valuations  |             | Positioning       | Remarks   |
|----------------------------|------------------------|-------------|-------------|-------------------|---|
|                            | FY22-25E               | P/E – FY25E | P/B – FY25E | HDFC Top 100 Fund |   |
| Materials                  | -6%                    | 12.9        | 1.8         | Underweight       | Global growth slowdown and risk of fall in commodity prices   |
| Information Technology     | 11%                    | 18.5        | 5.6         | Underweight       | Revenue growth of IT cos. is linked to growth of companies in EU and US and with growth slowdown and recession risk ahead, topline may get impacted<br>Valuations still above pre COVID averages. |
| Tobacco                    | 13%                    | 19.1        | 6.2         | Overweight        | Attractive valuations   |
| Utilities                  | 10%                    | 7.8         | 1.1         | Underweight       | Need reforms for value unlocking  |
| Energy                     | 8%                     | 13.0        | 1.4         | Overweight        | Energy valuations appear high due to one company. Excluding these, the multiples are close to 5x-6x and Dividend Yields are at high single digit  |
| Telecommunication Services | 120%                   | 17.0        | 3.7         | Overweight        | Post consolidation in the sector, pricing power outlook has improved.   |
| <b>Total</b>               | <b>14%</b>             | <b>16.4</b> | <b>2.6</b>  |                   |   |

Source: Kotak Institutional Equities estimates, Data as on 31<sup>st</sup> Dec, 2022

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## Mr. Rahul Baijal

Senior Fund Manager - Equities

- Rahul has an experience spanning over 20 years in Equity Research and Fund Management.
- He joined HDFC Asset Management Company Limited in July'22. Prior to joining HDFC Asset Management Company Limited, Rahul spent 6 years with Sundaram Mutual Fund as Senior Equity Fund Manager, where he was managing schemes in the large cap, large & midcap, focused, hybrid equity and thematic categories. He has won various accolades from different research agencies for his performance in the above categories. He has also worked with Bharti AXA Life Insurance, TVF Capital (First Voyager Advisors), HSBC Securities and Credit Suisse Securities in the past.
- Mr. Rahul earned his PGDM (MBA) from Indian Institute of Management, Calcutta in 1999. He has also completed his B.E. Electronics & Communication from Delhi College of Engineering, University of Delhi.

# SOUND INVESTMENT + TIME + PATIENCE = WEALTH CREATION

A SIP of ₹ 10,000@ invested in HDFC Top 100 Fund would be ~ ₹ 5.94 crore today<sup>^</sup>

## HDFC Top 100 Fund

*(An open ended equity scheme predominantly investing in large cap stocks)*

<sup>^</sup>As on December 30, 2022. @Assuming ₹10,000 invested systematically on the first Business Day of every month since October 11, 1996 (Scheme Inception Date). 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). Past performance may or may not be sustained in the future. HDFC AMC/MF is not guaranteeing any returns on investments in the Scheme.

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## A. HDFC Top 100 Fund - SIP Performance - Regular Plan - Growth Option

SIP since inception\* of ₹10,000 invested systematically on the first business day of every month (total investment ₹31.50 Lacs) in HDFC Top 100 Fund would have grown to ~ ₹5.94 crores by December 30, 2022 (refer below table).

| SIP Investments                                  | Since Inception*       | 15 year SIP | 10 year SIP | 5 year SIP | 3 year SIP | 1 year SIP |
|--|------------------------|-------------|-------------|------------|------------|------------|
| Total Amount Invested (₹ in Lacs)                | 31.50                  | 18.00       | 12.00       | 6.00       | 3.60       | 1.20       |
| Market Value as on December 30, 2022 (₹ in Lacs) | 594.28 <sup>\$\$</sup> | 51.99       | 23.70       | 8.75       | 4.90       | 1.29       |
| Returns (%)                                      | 18.38 <sup>\$\$</sup>  | 13.03       | 13.06       | 15.08      | 21.07      | 14.19      |
| Benchmark Returns (%)#                           | N.A.                   | 13.18       | 13.77       | 15.29      | 18.60      | 9.30       |
| Additional Benchmark Returns (%)##               | 14.50                  | 13.16       | 14.01       | 15.75      | 18.57      | 10.95      |

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. HDFC Top 100 Fund - Performance - Regular Plan - Growth Option

NAV as at December 30, 2022 ₹ 753.201 (per unit)

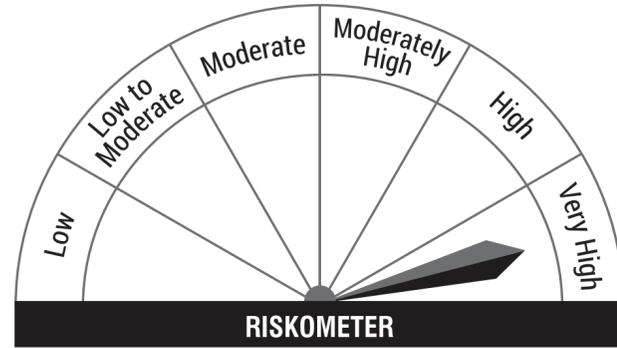
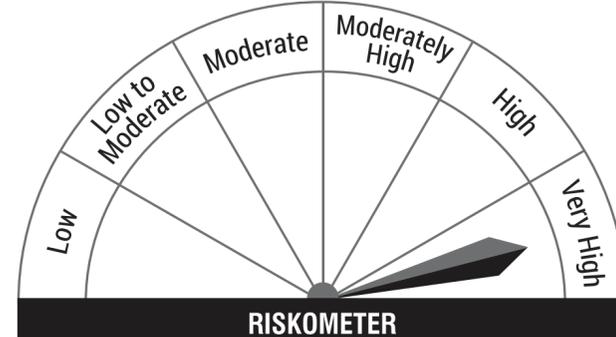
| Period           | Scheme Returns (%)    | Scheme Benchmark Returns (%)# | Additional Benchmark Returns (%)## | Value of investment of (₹) 10,000 |                |                            |
|------------------|-----------------------|-------------------------------|------------------------------------|-----------------------------------|----------------|----------------------------|
|                  |                       |                               |                                    | Scheme (₹)                        | Benchmark (₹)# | Additional Benchmark (₹)## |
| Last 1 Year      | 10.61                 | 4.94                          | 5.80                               | 11,058                            | 10,492         | 10,578                     |
| Last 3 Years     | 14.62                 | 15.48                         | 15.17                              | 15,058                            | 15,402         | 15,274                     |
| Last 5 Years     | 10.17                 | 12.04                         | 13.61                              | 16,238                            | 17,666         | 18,943                     |
| Since Inception* | 18.80 <sup>\$\$</sup> | N.A.                          | 13.71                              | 918,384 <sup>\$\$</sup>           | N.A.           | 290,838                    |

**Common notes for above table A & B: Past performance may or may not be sustained in the future.** # NIFTY 100 (Total Returns Index). ## S&P BSE SENSEX (Total Returns Index). \*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). Since Inception Date = Date of First allotment in the Scheme / Plan. Returns greater than 1 year period are compounded annualized (CAGR). N.A. Not Available. The above returns are for Regular Plan - Growth Option. Load is not taken into consideration for computation of performance. Returns greater than 1 year period are compounded annualized (CAGR). Returns as on December 30, 2022.

**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.**

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# Benchmark and Scheme Riskometers

|  |  |   |
|--|--|---|
| <p><b>HDFC Top 100 Fund (An open ended equity scheme predominantly investing in large cap stocks) is suitable for investors who are seeking*:</b></p>              | <p><b>Riskometer #</b></p>   | <p><b>Name of Benchmark and Riskometer</b></p>  |
| <ul style="list-style-type: none"> <li>• To generate long-term capital appreciation / income</li> <li>• Investment predominantly in Large-Cap companies</li> </ul> |  | <p>NIFTY 100 (Total Returns Index)</p>  |
| <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>  | <p>Investors understand that their principal will be at very high risk</p>           |   |

#For latest riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. [www.hdfcfund.com](http://www.hdfcfund.com)

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READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**



**Thank You**