



# THE GREAT INDIAN GROWTH OPPORTUNITY INVITES YOU!

Capture it with our 3 new Index Funds

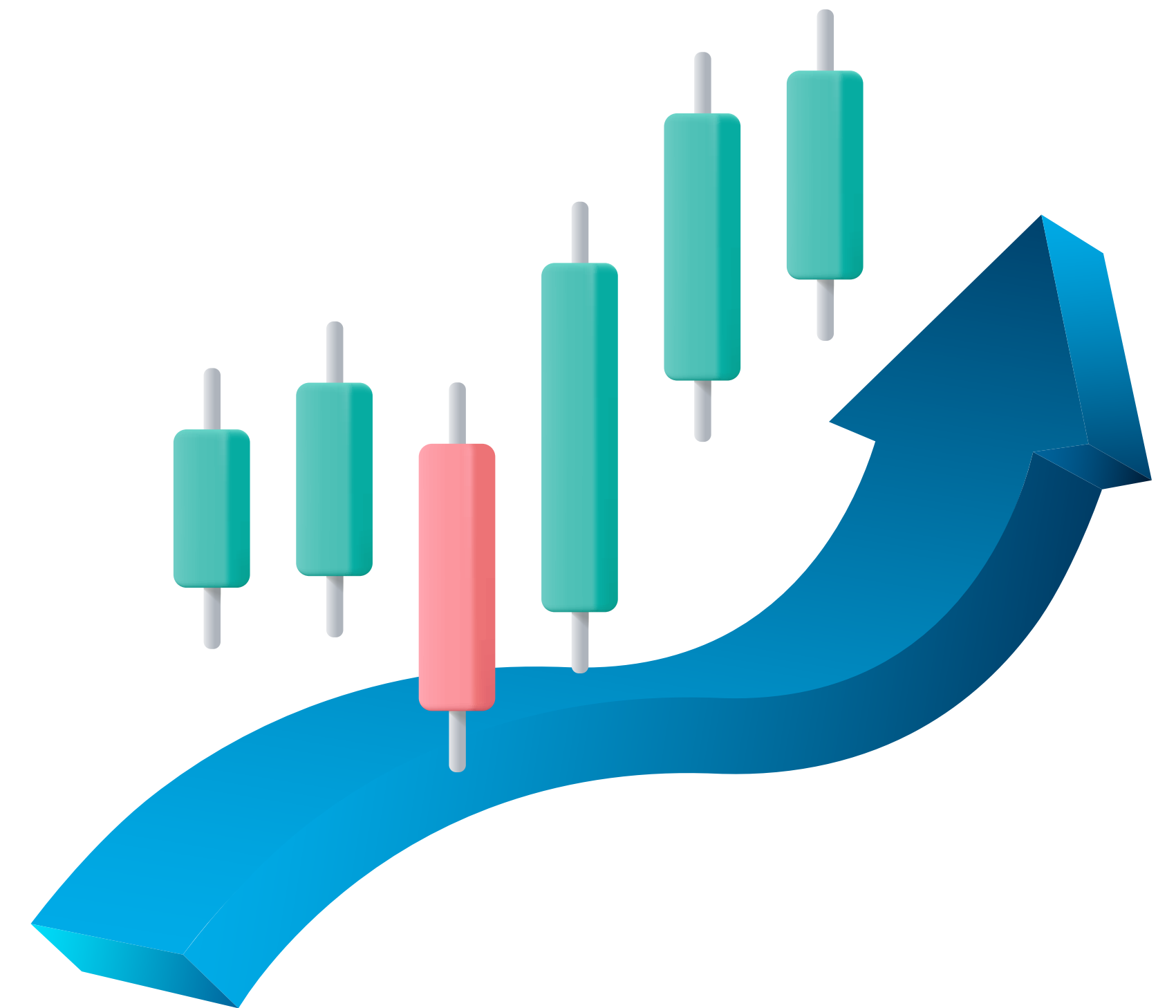
**HDFC S&P BSE  
500 INDEX FUND**

**HDFC NIFTY MIDCAP  
150 INDEX FUND**

**HDFC NIFTY SMALLCAP  
250 INDEX FUND**

**NFO Period:  
April 6 - April 18, 2023**

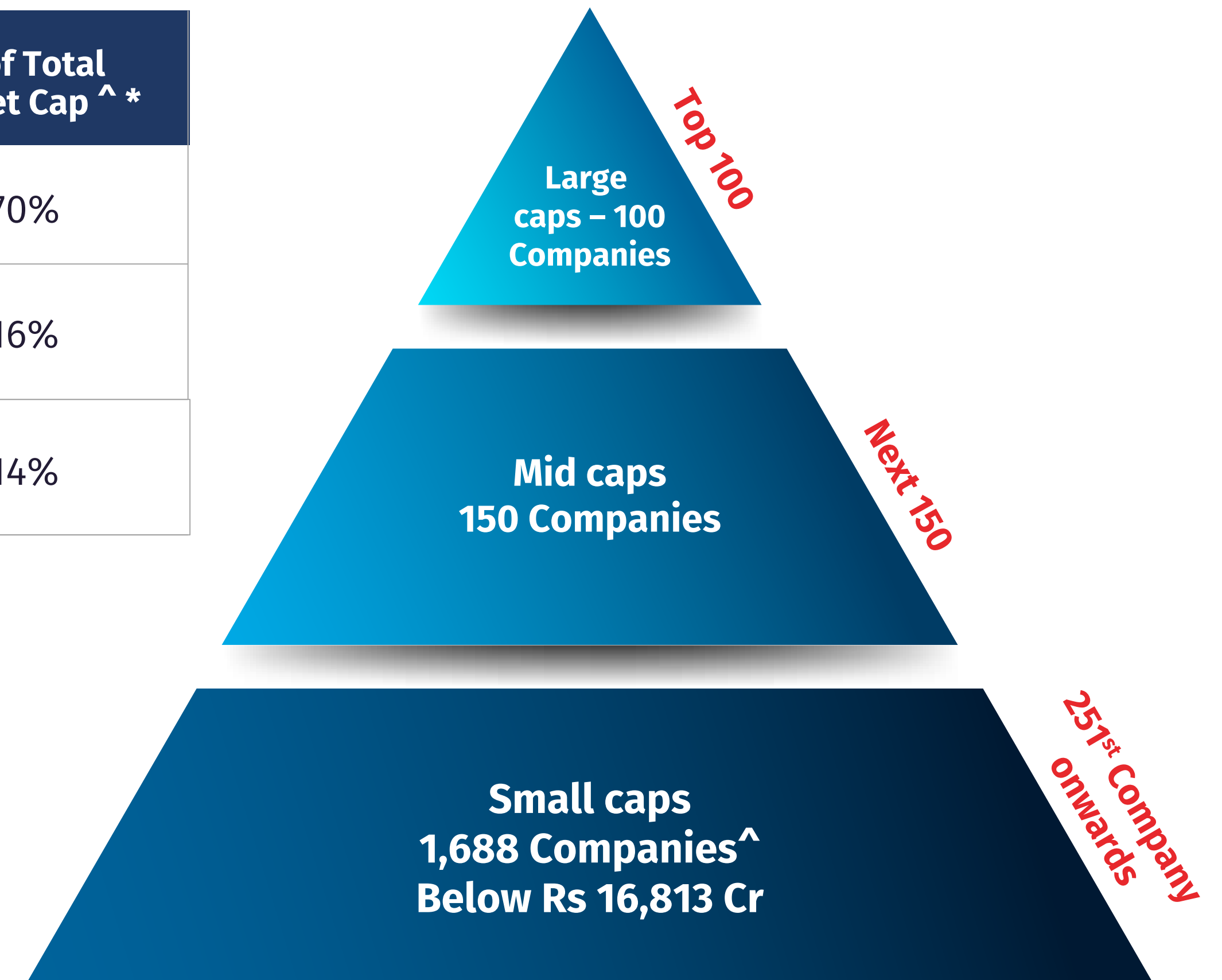
- ◆ Winners among largecap, midcap and smallcap indices change from year to year – thus exposure to all 3 market cap segments is warranted
- ◆ While the NIFTY Midcap 150 Index and NIFTY Smallcap 250 Index offer direct exposure to the midcap and smallcap segments, the S&P BSE 500 Index is an ‘All-in-One’ index, offering exposure mainly to largecaps, along with midcaps and smallcaps in a single index
- ◆ Participate in the India growth story in a diversified manner through Index Funds tracking the respective indices



# What are Midcap and Smallcaps?

Market Cap Segment	Number of companies *	Market Cap Range *	Cumulative Market Cap ^ * (Rs Trillion)	% of Total Market Cap ^ *
Large	100	Rs 48,898 Cr and above	~191	70%
Mid	150	Rs 16,813 Cr to Rs 48,687 Cr	~44	16%
Small	1688 ^	Below Rs 16,813 Cr	~39	14%

## Market Capitalization



\*AMFI - As on Dec 31, 2022. ^Stock cut off – Market Cap above Rs 150 Cr. 1,688 small cap companies mentioned above are those small cap companies with market cap > Rs 150 Cr.

Source: Classification as per SEBI circular (SEBI / HO/ IMD/ DF3/ CIR/ P/ 2017/ 114) dated October 6, 2017, wherein the universe of “Small Cap” shall consist of companies below 250th company in terms of full market capitalization.

Refer Disclaimer on slide no 18

# About the S&P BSE 500, NIFTY Midcap 150 and NIFTY Smallcap 250 Index

Parameter	S&P BSE 500	NIFTY Midcap 150	NIFTY Smallcap 250
Universe / Parent Index	S&P BSE AllCap	NIFTY 500	
Number of companies	500	150	250
Weighting	Free Float Market Capitalization		
Capping	NA		
Portfolio Review	Semi-annual (Jun and Dec)	Semi-annual (Mar and Sep)	

## Top 10 constituents (%)

Company Name	S&P BSE 500	Company Name	NIFTY Midcap 150	Company Name	NIFTY Smallcap 250
Reliance Industries Ltd.	7.13	Shriram Finance Ltd.	1.94	KPIT Technologies Ltd.	1.59
HDFC Bank Ltd.	6.28	Max Healthcare Institute Ltd.	1.83	Carborundum Universal Ltd.	1.30
ICICI Bank Ltd.	5.30	Varun Beverages Ltd.	1.77	Apollo Tyres Ltd.	1.27
Infosys Ltd.	4.85	Tube Investments of India Ltd.	1.68	Redington Ltd.	1.22
HDFC Ltd.	4.22	Trent Ltd.	1.66	IDFC Ltd.	1.21
TCS Ltd.	3.02	AU Small Finance Bank Ltd.	1.65	Elgi Equipments Ltd.	1.21
ITC Ltd.	2.95	Indian Hotels Co. Ltd.	1.59	City Union Bank Ltd.	1.19
Larsen & Toubro Ltd.	2.27	Federal Bank Ltd.	1.59	PVR Ltd.	1.18
Kotak Mahindra Bank Ltd.	2.20	TVS Motor Company Ltd.	1.46	RBL Bank Ltd.	1.11
Axis Bank Ltd.	2.08	Persistent Systems Ltd.	1.41	Radico Khaitan Ltd.	1.10

Source: NSE Indices Ltd., Asia Index Private Limited (AIPL). Data as of Feb 28, 2023. The above data is subject to change over a period of time.

Refer Disclaimer on slide no 18

# S&P BSE 500, NIFTY Midcap 150 and NIFTY Smallcap 250 indices – Sector details

**HDFC MF**
**INDEX SOLUTIONS**

Sector comparison – in %

Sector	S&P BSE 500	NIFTY Midcap 150	NIFTY Smallcap 250
Financial Services	31.2	20.3	19.1
Information Technology	11.6	5.2	6.5
Oil Gas & Consumable Fuels	9.8	4.2	2.0
Fast Moving Consumer Goods	8.6	3.8	4.8
Automobile and Auto Components	5.9	8.7	5.4
Healthcare	5.0	10.4	8.3
Capital Goods	3.8	13.3	14.3
Consumer Durables	3.7	5.4	6.2
Metals & Mining	2.9	2.8	1.1
Chemicals	2.7	6.8	7.4
Construction	2.5	0.0	4.0
Power	2.3	1.7	0.9
Construction Materials	2.3	1.9	1.7
Consumer Services	2.3	5.7	4.4
Telecommunication	2.1	1.3	2.0
Services	1.2	2.0	4.9
Realty	0.8	3.0	1.8
Textiles	0.4	1.8	2.1
Media Entertainment & Publication	0.3	1.3	1.8
Diversified	0.1	0.5	0.5
Forest Materials	0.1	0.0	0.7

 Key **Top 5 Sector Of Index**

The S&P BSE 500 Index has relatively high exposure to Financial Services, Information Technology, Oil & Gas and FMCG  
 NIFTY Midcap 150 and NIFTY Smallcap 250 Indices have relatively high exposure to Capital Goods, Healthcare and Chemicals

# Index Funds are an efficient way to get diversified exposure to large, mid and smallcaps

- ◆ Diversification through a single instrument – no need for investors to pick individual stocks
- ◆ Volatility\* of each respective index is lower than the average volatility of their constituents (see below)

## Volatility comparison of indices vs. their constituents

Index	Index volatility*	Average volatility* of index constituents	% of constituents with lower volatility* than index
S&P BSE 500	17.8%	38.1%	0.4%
NIFTY Midcap 150	19.8%	35.9%	1.3%
NIFTY Smallcap 250	21.3%	42.5%	0.0%

**The respective indices offer diversified exposure to large, mid and smallcap segments, but with lower volatility than the vast majority of their underlying constituents**

**Index Funds tracking the respective indices thus offer a simple and efficient way to gain exposure to large, mid and smallcaps through a single instrument**

Data as of Feb 28, 2023. \*1y annualized volatility calculated using prices of the last 260 business days.

Data Source: NSE Indices Ltd, AIPL, Bloomberg, internal calculations.

Refer Disclaimer on slide no 18

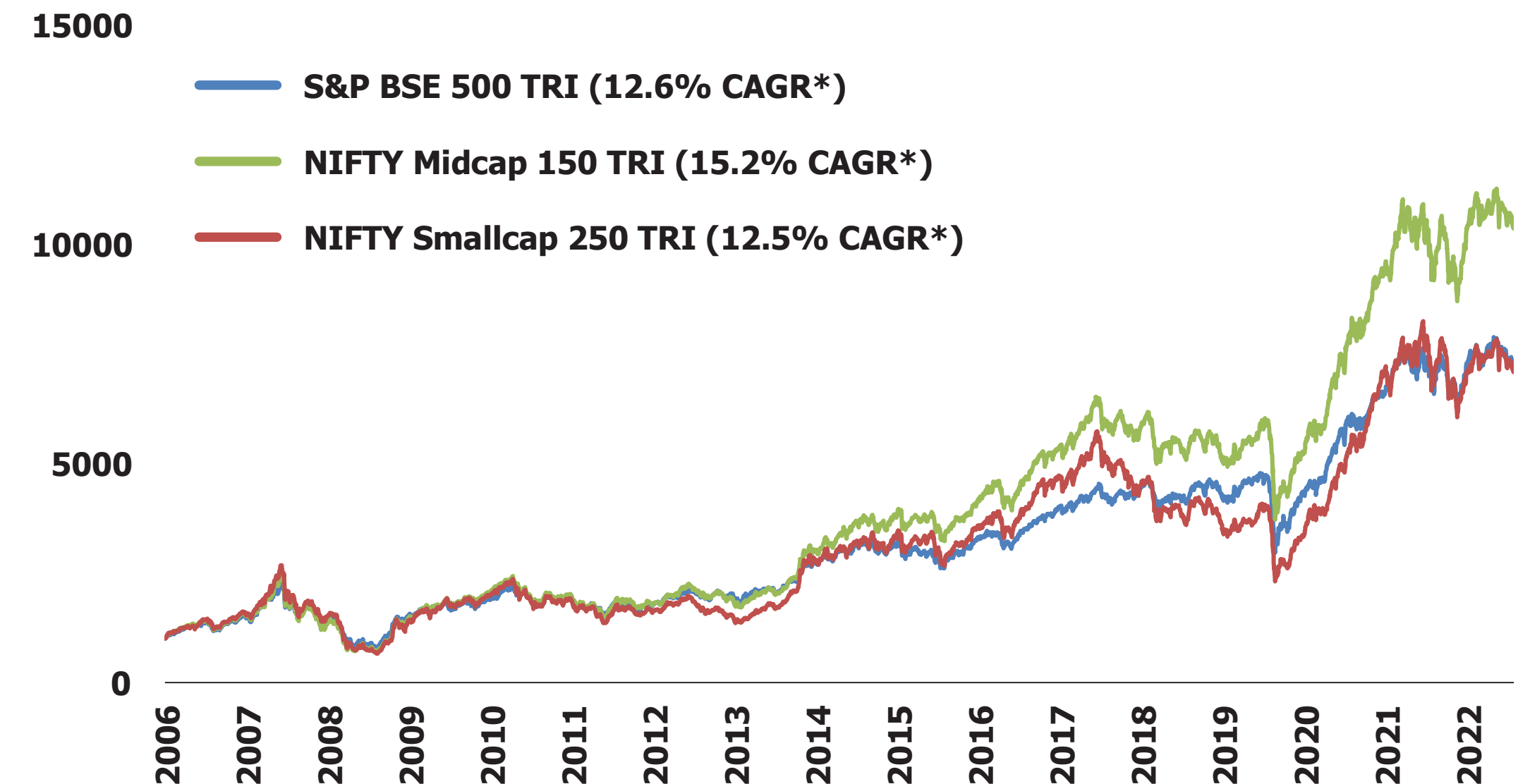
# S&P BSE 500 TRI, NIFTY Midcap 150 TRI and NIFTY Smallcap 250 TRI – Performance since Inception

Return Periods	CAGR* as on Feb 28, 2023		
	S&P BSE 500 TRI	NIFTY Midcap 150 TRI	NIFTY Smallcap 250 TRI
1 year	2.9%	8.3%	1.4%
3 year	18.0%	23.1%	23.9%
5 year	10.9%	11.9%	6.7%
10 year	13.9%	18.1%	15.7%
15 year	9.6%	12.2%	8.9%
Since inception (Aug 1, 2006)	12.6%	15.2%	12.5%

Heatmap Key	Rank 1	Rank 2	Rank 3

**Value of Rs. 1 lakh invested on Aug 1, 2006<sup>^</sup>**

- S&P BSE 500 TRI: **Rs. 7.1 lakh**
- NIFTY Midcap 150 TRI: **Rs. 10.4 lakh**
- NIFTY Smallcap 250 TRI: **Rs. 7.1 lakh**



**The NIFTY Midcap 150 TRI and NIFTY Smallcap 250 TRI have outperformed the S&P BSE 500 TRI over the last 3 years and 10 years**

<sup>^</sup> As on Feb 28, 2023. Aug 01, 2006 has been chosen as the base date since all 3 indices have values from this date onwards. Past performance may or may not be sustained in the future. HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns. \*CAGR: Compounded Annual Growth Rate.

Source: NSE Indices Ltd., AIPL and internal calculations

Refer Disclaimer on slide no 18

# S&P BSE 500 TRI, NIFTY Midcap 150 TRI and NIFTY Smallcap 250 TRI – FY Performance

Winners among largecaps, midcaps and smallcaps keep changing

Financial Year	S&P BSE 500 TRI	NIFTY Midcap 150 TRI	NIFTY Smallcap 250 TRI
FY07 <sup>^</sup>	24.2%	26.2%	27.3%
FY08	25.4%	21.5%	31.3%
FY09	-42.0%	-48.5%	-54.9%
FY10	98.8%	135.8%	141.4%
FY11	8.9%	4.7%	0.9%
FY12	-7.8%	-4.6%	-8.6%
FY13	6.5%	4.5%	-5.3%
FY14	19.0%	18.0%	22.9%
FY15	35.0%	59.7%	62.8%
FY16	-6.4%	-1.7%	-5.9%
FY17	25.5%	37.2%	40.6%
FY18	13.2%	16.7%	12.9%
FY19	9.7%	-0.6%	-12.4%
FY20	-26.5%	-30.1%	-40.2%
FY21	78.6%	101.6%	118.7%
FY22	22.3%	25.0%	37.0%
FY23YTD	-1.3%	3.3%	-4.6%

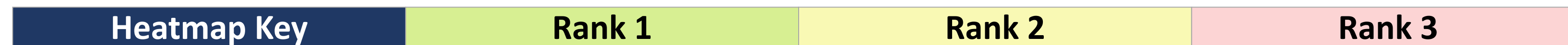
Heatmap Key	Rank 1	Rank 2	Rank 3
-------------	--------	--------	--------

Number of Financial Years when respective index gave:	S&P BSE 500 TRI	NIFTY Midcap 150 TRI	NIFTY Smallcap 250 TRI	Total
<b>Highest Returns</b>	5 (33.3%)	3 (20%)	7 (46.7%)	15
<b>2<sup>nd</sup> Highest Returns</b>	4 (26.7%)	10 (66.7%)	1 (6.7%)	15
<b>Lowest Returns</b>	6 (40%)	2 (13.3%)	7 (46.7%)	15

<sup>^</sup> Data for FY07 is from Aug 1, 2006 to Mar 30, 2007. Financial Year To Date.\*Does not include data of FY07 and FY23FYTD, as these are not complete financial years. HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns.

# S&P BSE 500 TRI, NIFTY Midcap 150 TRI & NIFTY Smallcap 250 TRI – Rolling returns

Return Periods	Average Rolling Returns			Std. Deviation of Rolling Returns			Return-Risk Ratio		
	S&P BSE 500 TRI	NIFTY Midcap 150 TRI	NIFTY Smallcap 250 TRI	S&P BSE 500 TRI	NIFTY Midcap 150 TRI	NIFTY Smallcap 250 TRI	S&P BSE 500 TRI	NIFTY Midcap 150 TRI	NIFTY Smallcap 250 TRI
1 year	15.3%	19.8%	19.0%	27.8%	36.6%	42.6%	0.55	0.54	0.45
3 year	12.0%	14.9%	11.9%	6.7%	10.2%	12.6%	1.78	1.45	0.93
5 year	11.5%	14.3%	11.0%	4.9%	6.9%	7.9%	2.34	2.09	1.39
10 year	11.9%	15.1%	11.9%	2.9%	3.6%	3.8%	4.18	4.24	3.14



**From a volatility perspective, the S&P BSE 500 Index is the least volatile among the 3 indices, followed by the NIFTY Midcap 150 and NIFTY Smallcap 250 Index**

Based on daily rolling returns of S&P BSE 500 TRI, NIFTY Midcap 150 TRI and NIFTY Smallcap 250 TRI. Return Period: Aug 01, 2006 to Feb 28, 2023 for the abovementioned schemes, since all 3 indices have values from Aug 01, 2006 onwards. Return Risk Ratio = Rolling Returns/Volatility. Past Performance may or may not be sustained in the future. HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns.

Source: NSE Indices Ltd., AIPL and internal calculations.

Refer Disclaimer on slide no 18

# S&P BSE 500, NIFTY Midcap 150 and NIFTY Smallcap 250 – Valuations and Return on Equity (ROE)

	S&P BSE 500	NIFTY Midcap 150	NIFTY Smallcap 250
P/E	22.26	23.88	17.77
P/B	3.17	3.21	2.87
Dividend yield	1.33%	1.24%	1.32%
Return on Equity	18.1%	18.7%	14.3%

Source: NSE Indices Ltd., AIPL, Bloomberg and internal calculations.

Data as on Feb 28, 2023. HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns.

**P/E Ratio:** The (P/E) ratio of an index is the weighted average of the price/earnings ratios of the stocks in the index. The P/E ratio of a company, which is a comparison of the cost of the company's stock and its trailing 12-month earnings per share, is calculated by dividing these two figures

**P/B Ratio:** The price/book (P/B) ratio of an Index is the weighted average of the price/book ratios of all the stocks in the index. Book value is the total assets of a company, less total liabilities (sometimes referred to as carrying value). A company's book value is calculated by dividing the market price of its outstanding stock by the company's book value, and then adjusting for the number of shares outstanding (Stocks with negative book values are excluded from this calculation.)

**Dividend Yield:** The Dividend Yield of an Index is the weighted average of the dividend yield of all the stocks in the index. Dividend Yield Percentage is the dividends per share of the company over the trailing one-year period as a percentage of the current stock price.

**ROE:** Measure of a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested, in percentage.



## **Diversify across market caps**

Winners among largecap, midcap and smallcap indices change from year to year – thus exposure to all 3 market cap segments is warranted



## **Participate in the India growth story**

Index Funds tracking the respective indices are a simple and efficient way to get diversified exposure to largecaps, midcaps and smallcaps



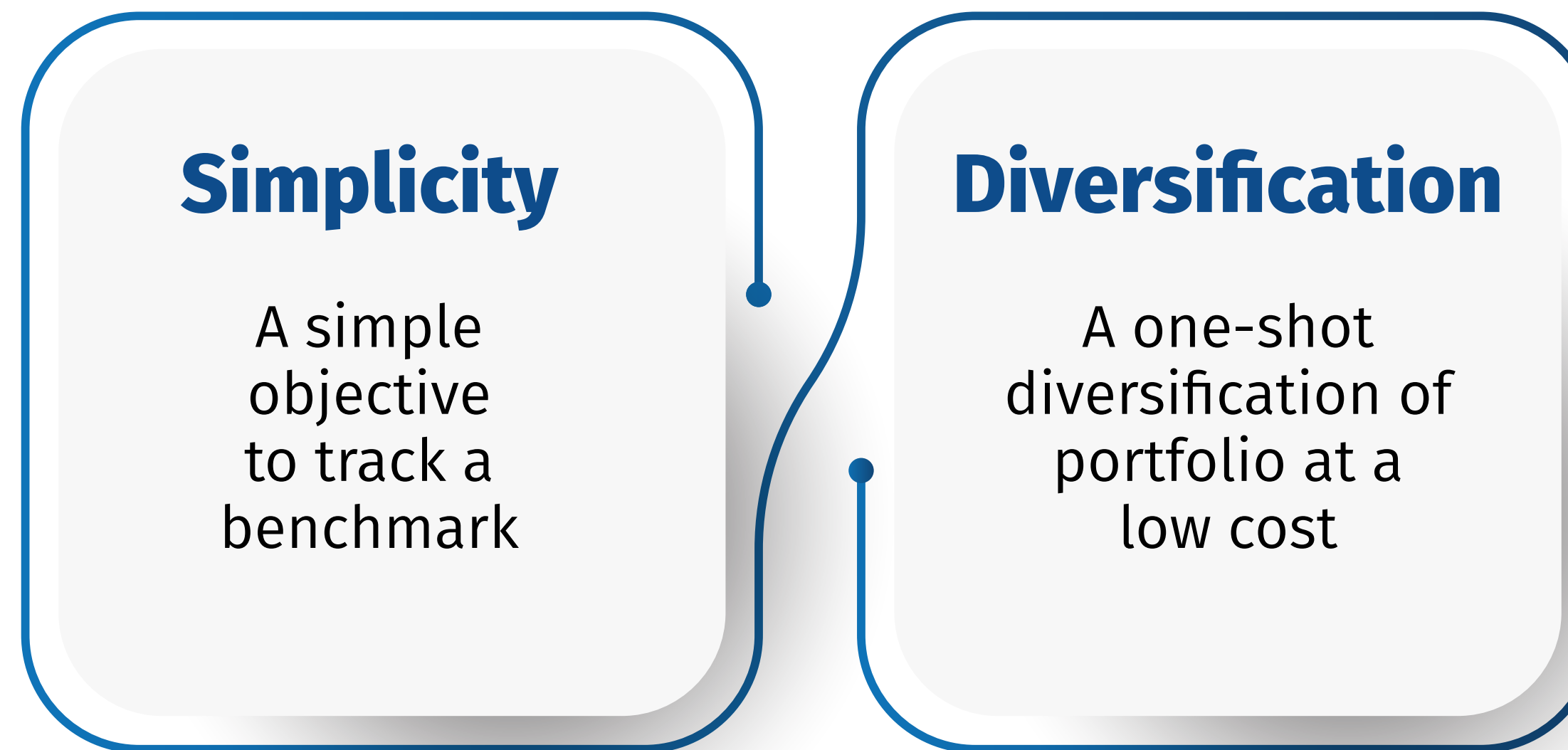
## **HDFC AMC - Trusted for 20**

HDFC AMC has been a trusted fund manager in Index Solutions for 20+ years (HDFC Index Fund – NIFTY 50 Plan and S&P BSE SENSEX Plan were launched in 2002)

# INDEX FUNDS

Presenting  
**HDFC S&P BSE 500 Index Fund,  
HDFC NIFTY Midcap 150 Index Fund &  
HDFC NIFTY Smallcap 250 Index Fund**

**Open-ended schemes replicating/tracking the S&P BSE 500 Index, NIFTY Midcap 150 Index & NIFTY Smallcap 250 Index respectively**

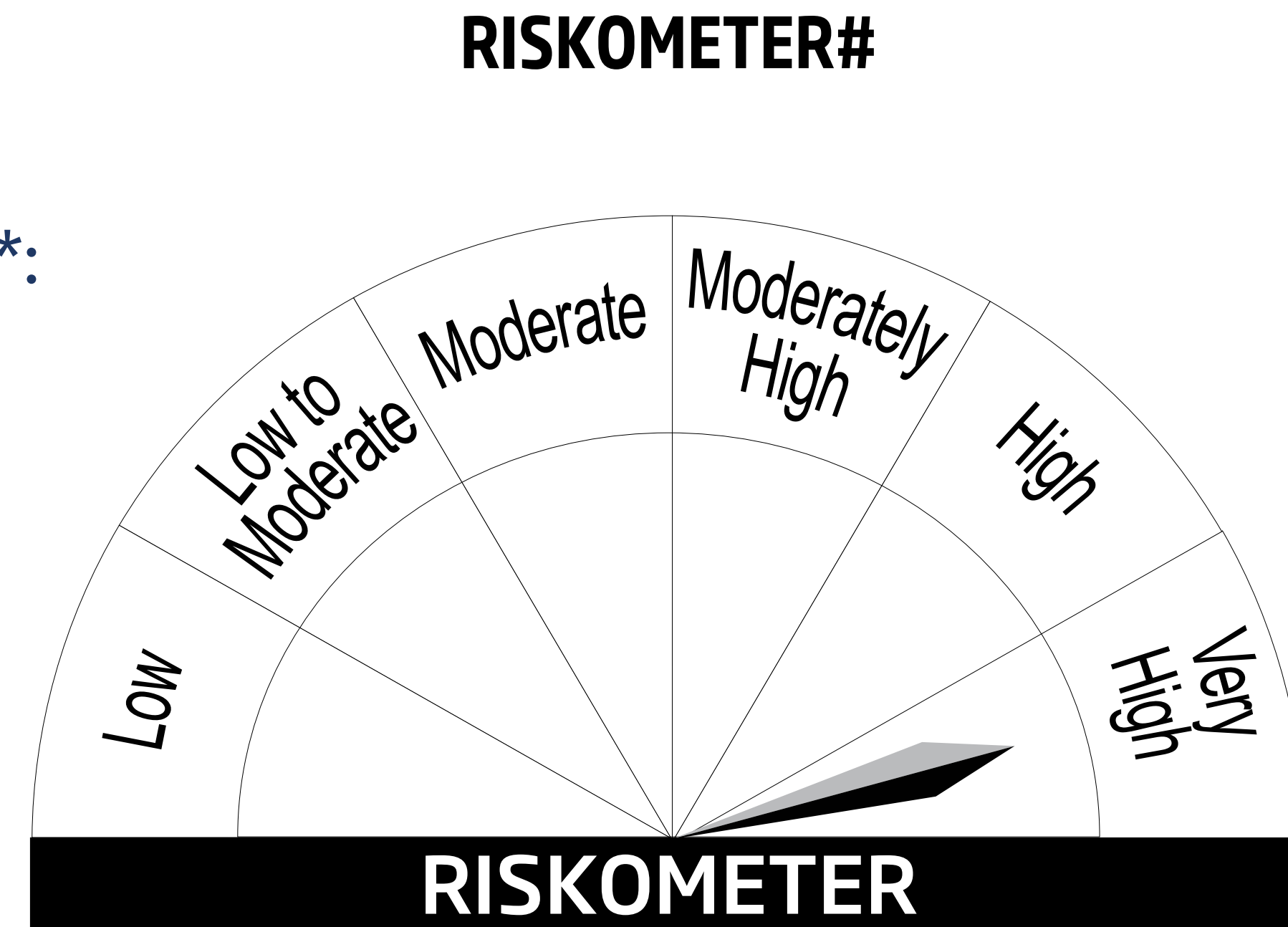


## Why HDFC MF Index Solutions?

- ◆ HDFC AMC has been a trusted provider of Index Solutions, with over 20 years of experience managing passive Index funds, and 12+ years of managing ETFs
- ◆ 'Investor first' approach of HDFC Mutual Fund
- ◆ Adherence to Robust Investment and Risk Management policies and processes
- ◆ Outcome: Tighter benchmark tracking and minimizing tracking errors

This product is suitable for investors who are seeking\*:

- ◆ Returns that are commensurate (before fees and expenses) with the performance of the underlying index [S&P BSE 500 Index (TRI), NIFTY Midcap 150 Index (TRI), NIFTY Smallcap 250 Index (TRI) respectively] over long term, subject to tracking error.
- ◆ Investment in securities covered by the underlying Index



Investors understand that their principal will be at very high risk

\*Investors should consult their financial advisers, if in doubt about whether the product is suitable for them. #The product labeling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made. 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)

Particulars	HDFC S&P BSE 500 Index Fund	HDFC NIFTY Midcap 150 Index Fund	HDFC NIFTY Smallcap 250 Index Fund
Type of Scheme	An Open-ended Scheme replicating/tracking S&P BSE 500 Index (TRI)	An Open-ended scheme replicating/tracking NIFTY Midcap 150 Index (TRI)	An Open-ended scheme replicating/tracking NIFTY Smallcap 250 Index (TRI)
Investment Objective	<p>To generate returns that are commensurate (before fees and expenses) with the performance of the S&amp;P BSE 500 Index, subject to tracking error.</p> <p>There is no assurance that the investment objective of the Scheme will be realized.</p>	<p>To generate returns that are commensurate (before fees and expenses) with the performance of the NIFTY Midcap 150 Index, subject to tracking error.</p> <p>There is no assurance that the investment objective of the Scheme will be realized.</p>	<p>To generate returns that are commensurate (before fees and expenses) with the performance of the NIFTY Smallcap 250 Index, subject to tracking error.</p> <p>There is no assurance that the investment objective of the Scheme will be realized.</p>
Benchmark Index	S&P BSE 500 Index (TRI)	NIFTY Midcap 150 Index (TRI)	NIFTY Smallcap 250 Index (TRI)
Fund Managers	Mr. Nirman Morakhia and Mr. Arun Agarwal		
Minimum Application Amount during Ongoing Offer Period	<p><b>During NFO Period and continuous offer period (after scheme re-opens for repurchase and sale):</b> Purchase and additional purchase:Rs. 100 and any amount thereafter. <b>Note:</b> Allotment of units will be done after deduction of applicable stamp duty and transaction charges, if any.</p>		
Load Structure	Entry / Exit Load: Not Applicable		

Under normal circumstances, the asset allocation of the scheme's portfolio will be as follows:

Types of Instruments	Minimum Allocation (% of Total Assets)	Maximum Allocation (% of Total Assets)	Risk Profile
Securities covered by the Underlying Index*	95	100	Very High
Debt Securities & Money Market Instruments, units of Debt Schemes of Mutual Funds	0	5	Low to Medium

\*Underlying Index = S&P BSE 500 Index for HDFC S&P BSE 500 Index Fund, NIFTY Midcap 150 Index for HDFC NIFTY Midcap 150 Index Fund and NIFTY Smallcap 250 Index for HDFC NIFTY Smallcap 250 Index Fund. For further details, please refer to the respective Scheme Information Document.

The S&P BSE 500 Index includes shares of HDFC Asset Management Company Limited. It may be noted that the said index has been constructed and managed by Asia Index Pvt. Ltd a 50-50 partnership between S&P Dow Jones Indices LLC, the world's largest provider of financial market indices, and BSE Ltd, Asia's oldest stock exchange. HDFC S&P BSE 500 Index Fund will be managed passively to replicate the performance of the Underlying Index.

# Stock Liquidity Risk in the event of Circuit Filter

Liquidity of stocks which are available only in cash segment and not in F&O segment gets adversely impacted in the event of a circuit filter imposed by any of the stock exchanges. The same will be dealt with in the manner described below:

Transaction Type	Upper Circuit	Lower Circuit
Subscription	<p>The Scheme shall buy stocks as per basket wherever no circuit, In case of Circuit on any stock(s) in the basket, the Scheme shall:</p> <ul style="list-style-type: none"> <li>- Hold cash for stock(s) on circuit at the latest available price on the stock exchange when the circuit was triggered;</li> <li>- Buy the stock(s) immediately when circuit is open</li> </ul> <p>This may impact performance and result in tracking error.</p>	NA
Redemption	NA	<p>The Scheme shall sell stocks as per basket if no circuit. In case of circuit on Stock(s) in the basket, the Scheme shall:</p> <ul style="list-style-type: none"> <li>- Pay from cash or cash equivalent or create cash to pay for stocks on circuit at the latest available price on the stock exchange when the circuit was triggered by selling other stocks which may impact performance and result in tracking error;</li> <li>- Sell stock immediately when circuit is open and re-balance portfolio which may impact performance and result in tracking error.</li> </ul>

The views expressed herein are as of April 03, 2023 and are based on internal data, publicly available information and other sources believed to be reliable. Any calculations made are approximations, meant as guidelines only, which you must confirm before relying on them. The information contained in this document is for general purposes only and not an investment advice. The document is given in summary form and does not purport to be complete. The document does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this document. The information/ data herein alone are not sufficient and should not be used for the development or implementation of an investment strategy. The statements contained herein are based on our current views and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Stocks/Sectors referred are illustrative and should not be construed as an investment advice or a research report or a recommendation by HDFC Mutual Fund ("the Fund") / HDFC AMC to buy or sell the stock or any other security covered under the respective sector/s. The Fund may or may not have any present or future positions in these sectors. Past performance may or may not be sustained in future. HDFC AMC / HDFC Mutual Fund is not guaranteeing / offering / communicating any indicative yield on investments made in the scheme(s). Neither HDFC AMC and HDFC Mutual Fund (the Fund) nor any person connected with them, accepts any liability arising from the use of this document. The recipient(s) before acting on any information herein should make his/her/their own investigation and seek appropriate professional advice and shall alone be fully responsible / liable for any decision taken on the basis of information contained herein. It may be noted that NIFTY Midcap 150 Index & NIFTY Smallcap 250 Index have been constructed and managed by NSE Indices Limited (formerly known as India Index Services & Products Limited – IISL), a subsidiary of National Stock Exchange of India Limited (NSE). The Schemes will be managed passively to replicate the performance of the Underlying Index.

**NIFTY Disclaimer:** HDFC NIFTY Midcap 150 Index Fund and HDFC NIFTY Smallcap 250 Index Fund "(the Products)" offered by HDFC Asset Management Company Limited are not sponsored, endorsed, sold or promoted by NSE INDICES LIMITED (formerly known as India Index Services & Products Limited (IISL)). NSE INDICES LIMITED does not make any representation or warranty, express or implied (including warranties of merchantability or fitness for particular purpose or use) and disclaims all liability to the owners of the Products or any member of the public regarding the advisability of investing in securities generally or in the Products linked to NIFTY Midcap 150 Index & NIFTY Smallcap 250 Index or particularly in the ability of the NIFTY Midcap 150 Index & NIFTY Smallcap 250 Index to track general stock market performance in India. Please read the full Disclaimers in relation to NIFTY Midcap 150 Index & NIFTY Smallcap 250 Index in the Offer Document of the Products.

**BSE Disclaimer:** : HDFC S&P BSE 500 Index Fund, ("the Scheme") is based on the S&P BSE 500 Index. S&P® is a registered trademark of S&P Financial Services Limited (S&P). BSE® and SENSEX® are registered trademarks of BSE Limited. The Schemes is not sponsored, endorsed marketed or promoted by S&P, BSE or their respective affiliates. Please refer to the Scheme Information Document for disclaimers w.r.t. S&P BSE 500 Index.

It is to be distinctly understood that the permission given by National Stock Exchange of India Limited (NSE)/ BSE Limited (BSE) should not in any way be deemed or construed that the Scheme Information Document (SID) has been cleared or approved by NSE/ BSE nor does it certify the correctness or completeness of any of the contents of the SID. The investors are advised to refer to the SID for the full text of the Disclaimer clause of NSE/ BSE.

**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**



**Thank You**

