

SMALL IS POWERFUL!

HDFC SMALL CAP FUND

(An open ended equity scheme
predominantly investing in Small
Cap stocks)



October 2025



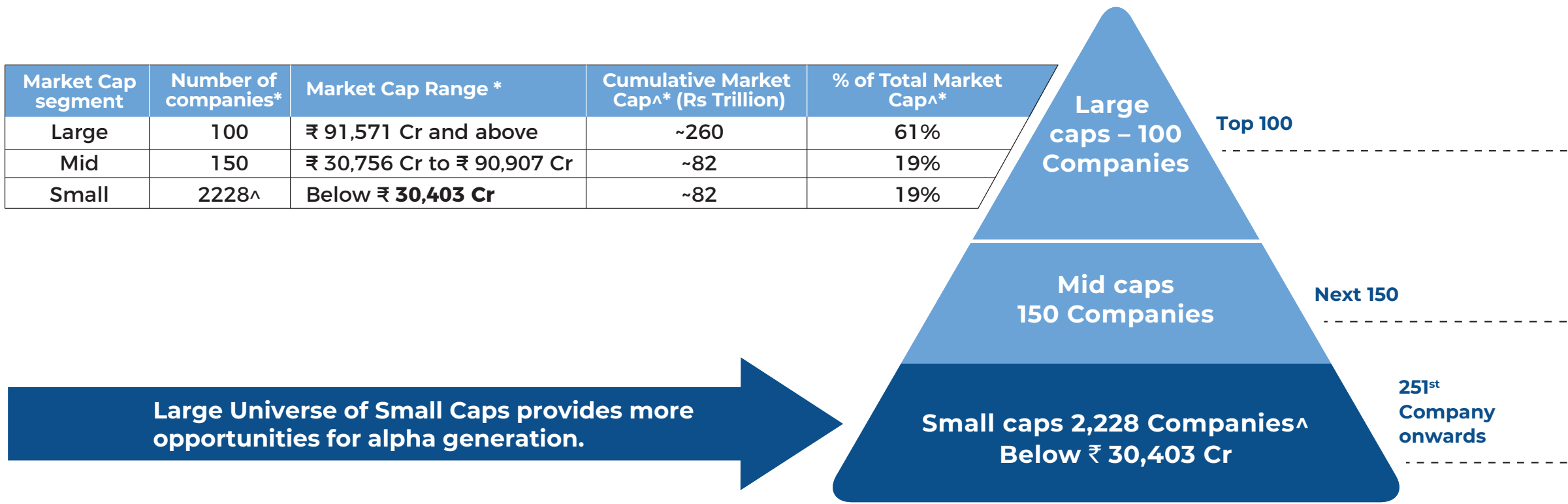
- Small Cap Universe
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Small Caps



Market Capitalization

Market Cap segment	Number of companies*	Market Cap Range *	Cumulative Market Cap^* (Rs Trillion)	% of Total Market Cap^*
Large	100	₹ 91,571 Cr and above	~260	61%
Mid	150	₹ 30,756 Cr to ₹ 90,907 Cr	~82	19%
Small	2228^	Below ₹ 30,403 Cr	~82	19%



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. *AMFI - As on 30th June 2025. ^Stock cut off - Market Cap above ₹ 150 Cr. 2,228 small cap companies mentioned above are those small cap companies with market cap > ₹ 150 Cr.

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Scope for returns owing to potential increase in size and analyst coverage

- As the size of the business increases, more analysts tend to start tracking the company
- Institutional holding often increases as companies get larger
- Better disclosure levels can lead to greater familiarity and higher multiples
- As a result, mispriced smaller stocks may get re-priced

Under Researched: Limited Analyst Coverage

Index	Average Analyst Coverage
BSE 100 Index	31
BSE 150 MidCap Index	18
BSE 250 SmallCap Index	9

For small cap stocks, company specific factors have a much higher impact than macro factors

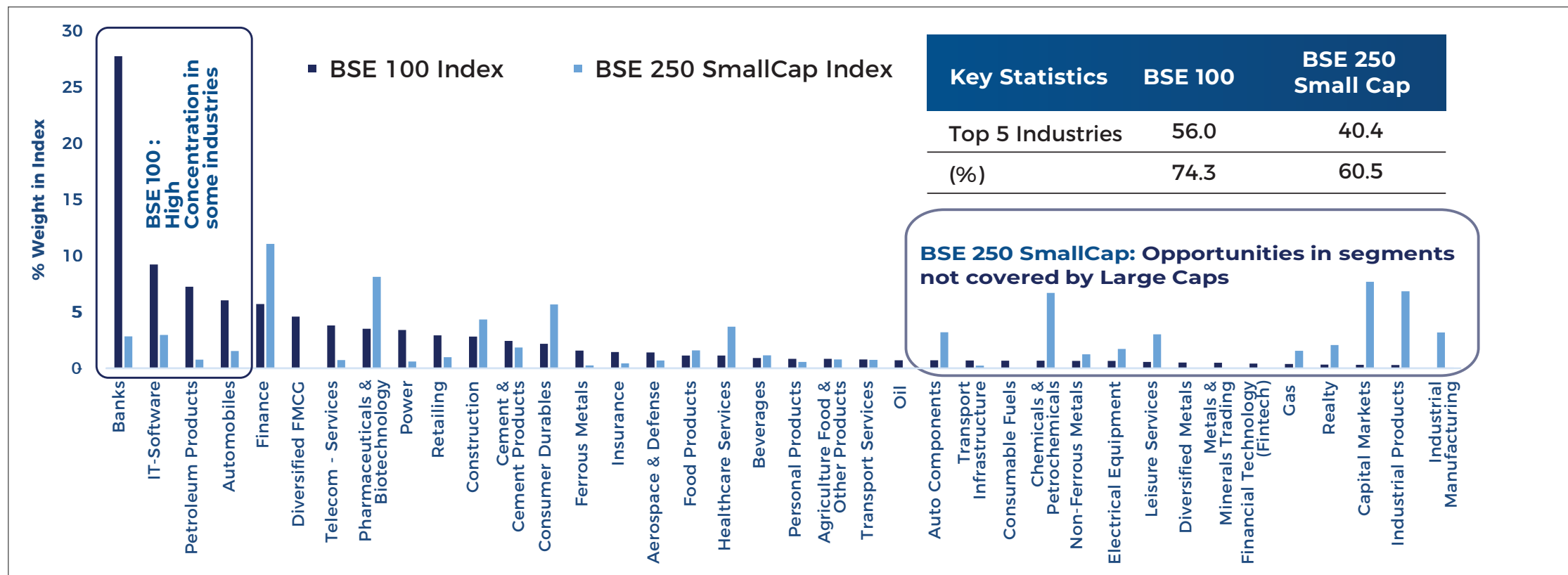
Source: Bloomberg, HDFC AMC Internal Research, Company Reports

Average analyst coverage is the simple average of number of analysts covering various index constituents as on September 30th 2025.

Small Cap stocks carry a higher risk of market fluctuations and are also prone to higher liquidity risks. Small cap stocks are strictly not comparable with large cap stocks.

Sector-Wise Presence – Large Caps vs Small Caps

Small Caps provide investment opportunities in segments of the economy which are not covered by Large Caps*.



Source : MFI Explorer .GICS Industry classification

Classification as per SEBI circular (SEBI / HO/ IMD/ DF3/ CIR/ P/ 2017/ 114) dated October 6, 2017. The universe of "Large Cap" shall consist of companies up to 100th company in terms of full market capitalization. The universe of "Small Cap" shall consist of companies below 250th company in terms of full market capitalization. * As represented by BSE 100 Index, ^As represented by BSE 250 SmallCap Index Stocks/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 stocks/sectors. 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. The same has been prepared on the basis of information, which is already available in publicly accessible media.

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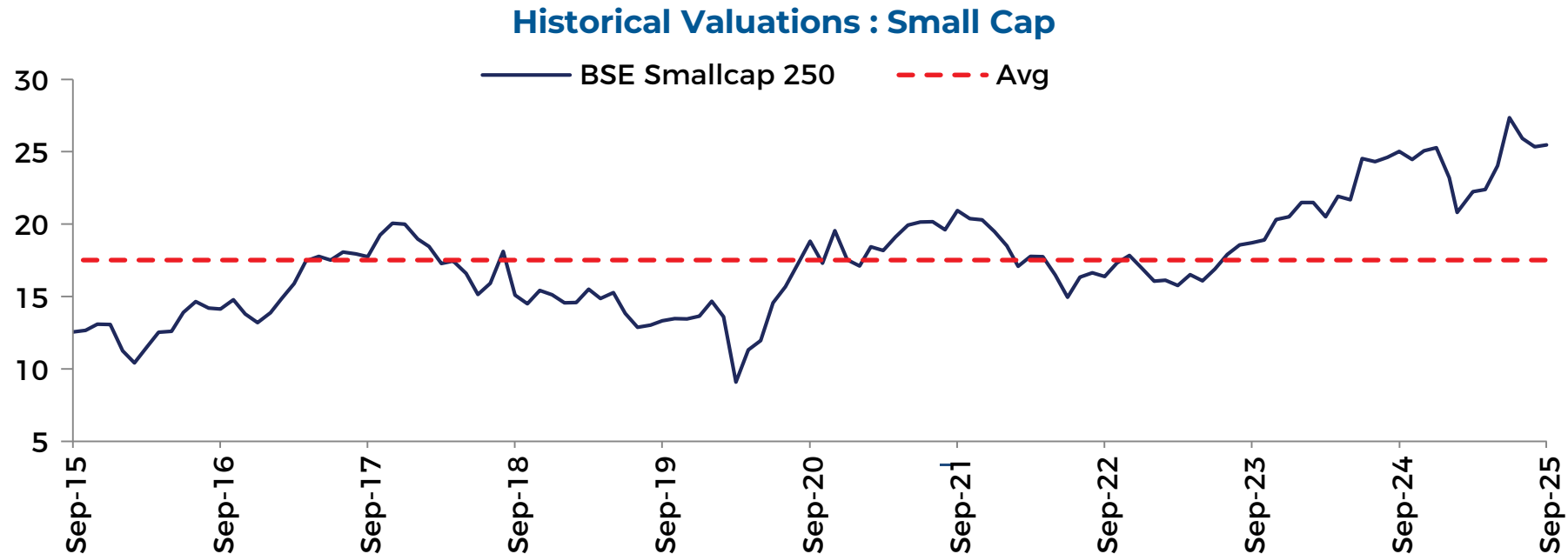
Case for Active investing in Small Caps

Number of BSE 250 SmallCap Index companies in various return ranges

Return Range	FY25	FY24	FY23	FY22	FY21	FY20
> 20%	69	175	61	125	185	13
10%-20%	20	14	17	14	7	7
0-10%	27	19	30	17	5	8
Below 0%	129	30	119	56	3	164
Total companies	245	238	227	212	200	192

Divergence of returns aids active stock picking

Source: Bloomberg. BSE 250 SmallCap Index Constituents as of 31-Mar-25 considered for both the tables on this slide. 3 and 5 year returns are CAGR%, while others are absolute %. Total Number of companies does not add up to 250 due to certain constituents (as of Mar'24) not being listed for the entire reference period. Mutual Fund/AMC is not guaranteeing returns on investments made in any scheme. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.**



BSE 250 SmallCap Index	1 Year Forward P/E
As of 30-Sep-2025	25.5
Long-term Average	17.5
Premium/(Discount) to Long-Term Average	46%

Source:-Bloomberg, As of 30th September, 2025
 Proxies used : Large Cap – NIFTY 50, Small Caps – BSE 250 SmallCap Index.

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HDFC Small Cap Fund



Current Investment Approach of HDFC Small Cap Fund

Stock Selection

- Focus on quality companies, with sound financial strength and reasonable return on equity
- Invest at sensible valuations in companies trading at reasonable multiples (P/E, P/B, EV/EBITDA etc.)
- Aim to minimize mistakes by investing in companies with sustainable and understandable business models, with good management quality

Sector Allocation

- Primarily a function of stock selection
- Portfolio overweight / underweight vs benchmark controlled to manage portfolio risk by the Fund Manager
- Portfolio to be invested between 90-100%, as far as possible

Market Capitalization

- 65% to 100% of Total Assets are invested in Small Caps
- 0 to 35% of Total Assets are invested in Large and Mid Caps

Top 10 Holdings

Company Name	% to NAV
Firstsource Solutions Ltd.	4.9
Aster DM Healthcare Ltd.	4.1
eClerx Services Ltd.	4.0
Bank of Baroda	3.3
Gabriel India Ltd.	3.2
Eris Lifesciences Ltd.	2.7
Fortis Healthcare Ltd.	2.7
Krishna Institute Of Medical Sciences Ltd.	2.1
Sudarshan Chemical Industries Ltd.	2.1
Indian Bank	2.0

Portfolio Statistics

Top 5 Holding %	19.5%
Top 10 Holding %.	31.1%
Beta	0.785
Equity Turnover	9.93%
Total Turnover [^]	9.93%
Number of stocks	82
Fund Size (Rs Cr)	36,827

Segment-wise break up of equity holding*

Segment	% of Total Assets
Large Cap	4.6%
Mid Cap	7.6%
Small Cap	77.6%
Cash, Cash Equivalents and Net Current Assets	10.2%

Data is As of 30th September 2025,

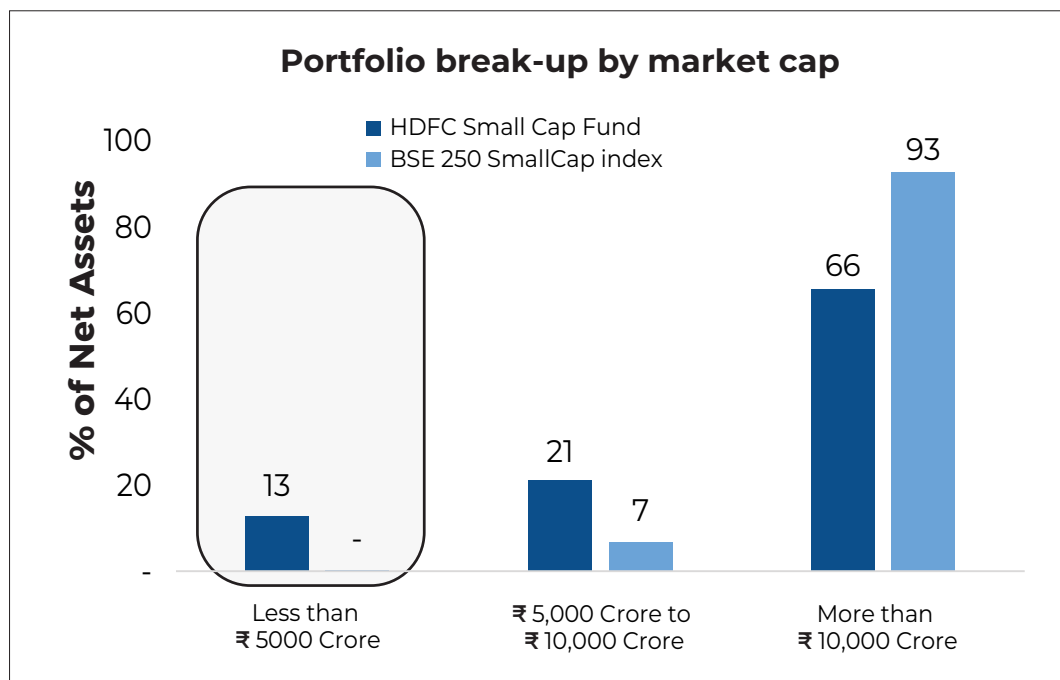
***Market cap Classification has been done basis list provided by AMFI for the half year ended 30-Jun-25**

[^]Total Turnover = Equity + Debt + Derivative. For complete portfolio, please refer www.hdfcfund.com

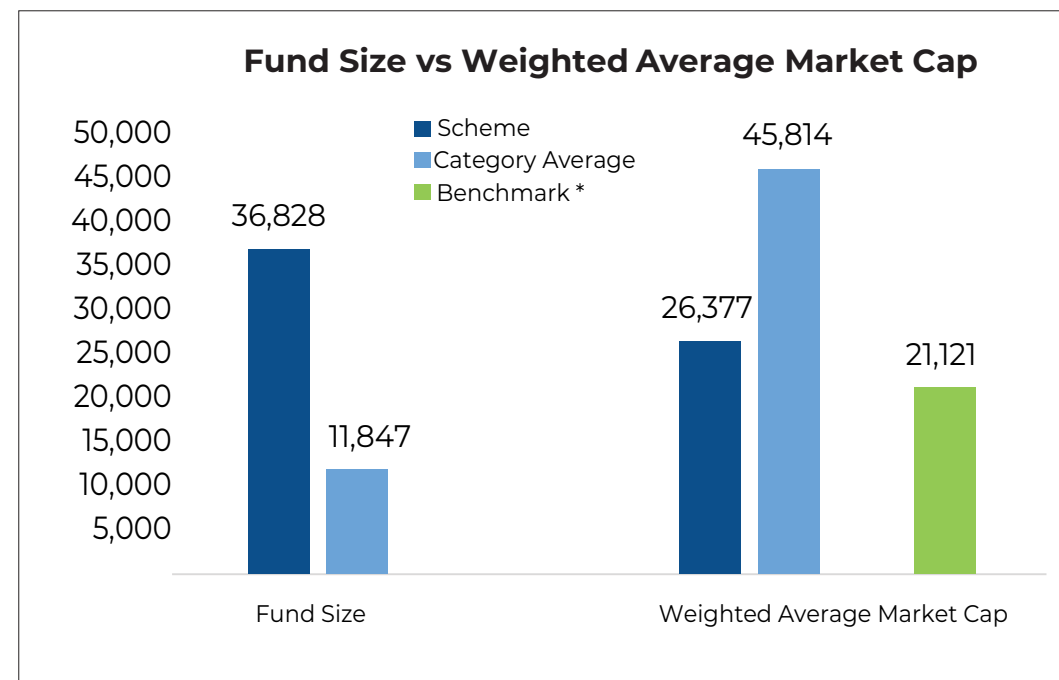
The Fund may or may not have any present or future positions in these stocks/sectors. The above statements / analysis should not be construed as an investment advice or a research report or a recommendation to buy or sell any security covered under the respective sector/s.

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Portfolio is focused on Small Caps, backed by robust investments process



Weighted average market capitalisation lower than category average, in spite of being one of the largest funds in the category

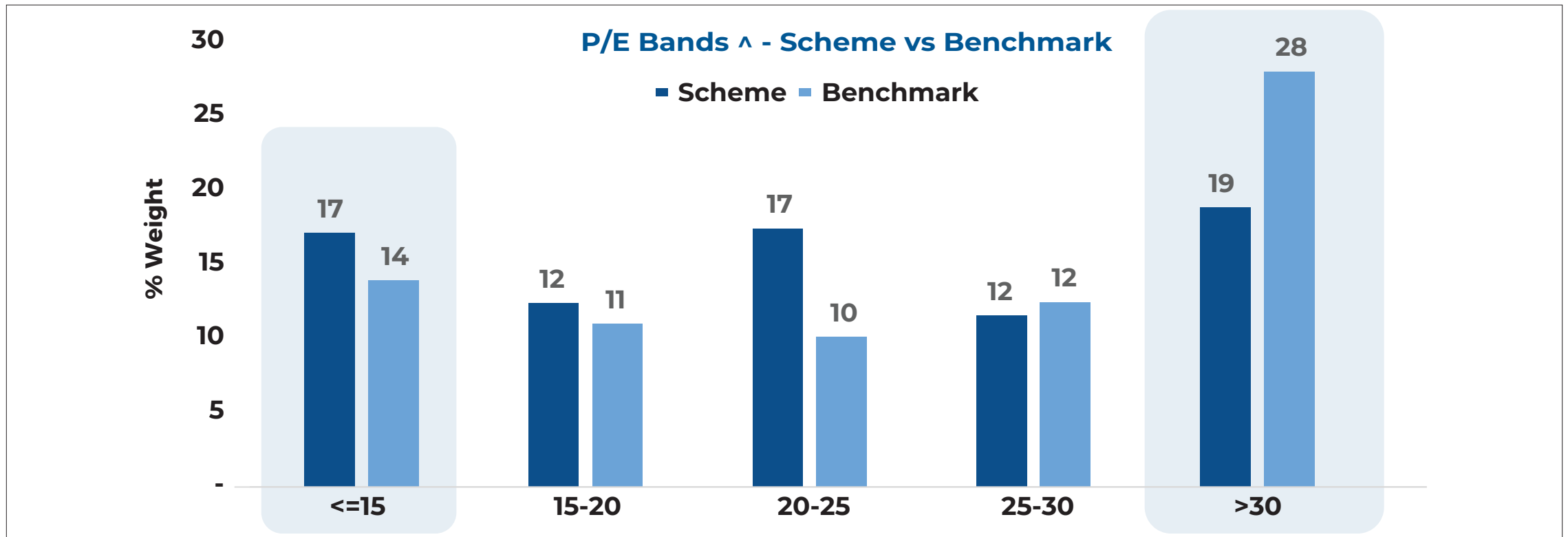


Source: Capitaline, Data as on 30th September 2025. Benchmark - BSE 250 SmallCap Index TRI. For complete portfolio, refer our website www.hdfcfund.com. The current investment strategy is subject to change depending on the market conditions. Equity Exposure of Fund rebased to 100%

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How the portfolio stacks up in terms of valuations?

Focus on good quality companies, trading at reasonable valuations



Source:-Bloomberg, Capitaline, MFI Explorer. As of Sep'25, Benchmark - BSE SmallCap 250 Index TRI

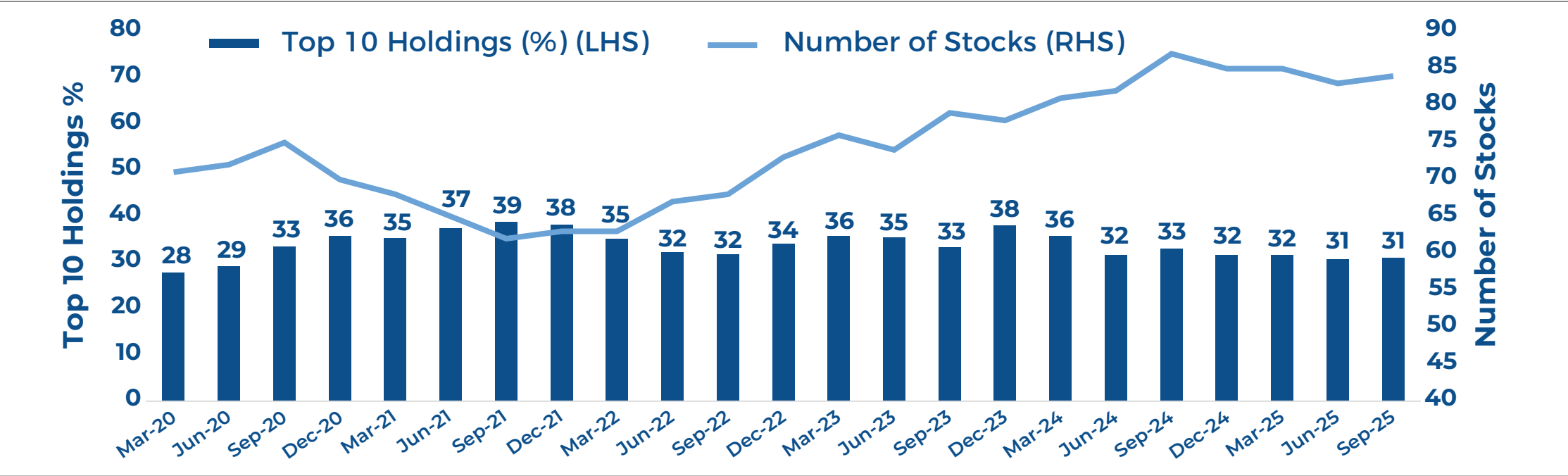
^ FY26 Forward P/E considered

For detailed portfolio refer www.hdfcfund.com

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Risk Mitigation through wider diversification

Aim to mitigate risk in small caps by wider diversification of the portfolio. Average Top 10 holding % of ~34% since Dec'19



HDFC Small Cap Fund : 3 Year returns (daily rolling)

Since June-2014 *

- HDFC Small Cap Fund has yielded 3 year returns exceeding 15% CAGR in 75% instances vs 58% instances for benchmark (BSE 250 Small Cap Index TRI)
- HDFC Small Cap Fund has yielded positive 3 year returns in 92% instances vs 87% instances for benchmark (BSE 250 Small Cap Index TRI)
- HDFC Small Cap Fund has higher average and median 3 Year returns as compared to benchmark (BSE 250 Small Cap Index TRI)

Source:-MFI Explorer. As of 30th September 2025.

* Data since 27th June 2014 considered i.e. the date on which the Scheme was acquired by HDFC Mutual Fund from Morgan Stanley and repositioned as HDFC Small Cap Fund & HDFC Mid-Cap Opportunities Fund. Prior to that date, the scheme was named Morgan Stanley A.C.E Fund and was a multicap fund. Consequently, first 3 year period is as of 27th June 2017. Total number of instances = 2044

Past performance may or may not be sustained in future and is not a guarantee of any future returns. HDFC Mutual Fund/AMC is not guaranteeing any returns on investments made in this Fund. 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. Historical performance indications and financial market scenarios are not the reliable indicator for current or future performance. The Fund may or may not have any present or future positions in the Stocks/Sectors. For complete performance details, refer slides 18 to 19.

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3 Year Rolling returns (Daily rolling)		
Annualized Returns (CAGR)	HDFC Small Cap Fund (% of Instances)	BSE 250 Small Cap Index TRI (% of Instances)
>15%	75%	58%
10% to 15%	4%	13%
0% to 10%	13%	16%
Less than 0	8%	13%
Total	100	100

Key Statistics		
Key Return Statistics	HDFC Small Cap Fund (3 Year Returns % CAGR)	BSE 250 Small Cap Index TRI (3 Year Returns % CAGR)
Minimum	(9.9)	(17.0)
Maximum	48.2	45.1
Average	19.3	16.1
Median	20.2	16.7

Scheme Type	An open ended equity scheme predominantly investing in Small Cap stocks	
Inception Date (Date of allotment)	April 3, 2008	
Investment Objective	To provide long-term capital appreciation / income by investing predominantly in Small-Cap companies. There is no assurance that the investment objective of the Scheme will be achieved.	
Fund Manager^{\$}	Mr. Chirag Setalvad	
Investment Plans	• Direct Plan • Regular Plan	
Investment Options	Regular Plan, Direct Plan. Under Each Plan: Growth & Income Distribution cum Capital Withdrawal (IDCW) Option. The IDCW Option offers following Sub-Options: Payout of Income Distribution cum Capital Withdrawal (IDCW) Option; and Reinvestment of Income Distribution cum Capital Withdrawal (IDCW) Option.	
Minimum Application Amount/ Switch In/ Additional Purchase Amount	Rs. 100/- and any amount thereafter.	
Load Structure^{\$\$}	Entry Load	Not Applicable. Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder.
	Exit Load	■ In respect of each purchase / switch-in of Units, an Exit Load of 1.00% is payable if Units are redeemed / switched-out within 1 year from the date of allotment. ■ No Exit Load is payable if Units are redeemed / switched-out after 1 year from the date of allotment. In case of Systematic Transactions such as SIP, GSIP, STP, Flex STP, Swing STP, Flex index; Exit Load, if any, prevailing on the date of registration / enrolment shall be levied.
Benchmark Index	BSE 250 SmallCap Index (TRI)	

^{\$} Fund Manager Overseas investment – Mr Dhruv Muchhal. For further details, refer SID and KIM available on www.hdfcfund.com and at Investor Service Centres of HDFC Mutual Fund.

^{\$\$} EXIT LOAD : (i) No Exit Load shall be levied for switching between Plans / Options within the Scheme. However, exit load will be applicable if the units are switched-out / redeemed from the Schemewithin the exit load period from the initial date of purchase. (ii) Switch of investments between Plans under a Scheme having separate portfolios, will be subject to applicable exit load. (iii) No exit load willbe levied on Bonus Units and Units allotted on IDCW Re-investment. (iv) The exit load levied on redemption/switch-out will be the load prevailing 1. In case of lumpsum transactions, on the date ofallotment of units 2. In case of Systematic Transactions such as SIP, STP etc., on the date of registration / enrolment.

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

Type of Instruments	Minimum Allocation (% of Total Assets)	Maximum Allocation (% of Total Assets)	Risk Profile of the Instrument
Equity and equity related instruments of Small Cap companies**	65	100	High
Equity and equity related instruments other than Small Cap companies	0	35	High
Debt Securities (including securitised debt) and money market instruments)	0	35	Low to Medium
Units issued by REITs and InvITs	0	10	Medium to High
Non-convertible preference shares	0	10	Low to Medium

The Scheme may invest up to 100% of its total assets in Derivatives.

The Scheme may invest up to 35% of its total assets in foreign securities.

**** Investment universe of “Small Cap”:**

The investment universe of “Small Cap” shall comprise companies as defined by SEBI from time to time.

In terms of SEBI circular SEBI/ HO/ IMD/ DF3/ CIR/ P/ 2017/ 114 dated October 6, 2017, the universe of “Small Cap” shall consist of 251st company onwards in terms of full market capitalization and that the Scheme will be required to adhere the following:

The list of stocks of Small Cap companies prepared by AMFI in this regard will be adopted. The said list would be uploaded on the AMFI website and would be updated every six months based on the data as on the end of June and December of each year or periodically as specified by SEBI. Subsequent to any updation in the said list as uploaded by AMFI, the portfolio of the Scheme will be rebalanced within a period of one month. For further details, refer SID, KIM available on website www.hdfcfund.com and at Investor Service Centres (ISCs) of HDFC Mutual Fund.

SIP Performance - HDFC Small Cap Fund - Regular Plan- Growth Option

SIP since inception of ₹10,000 invested systematically on the first business day of every month (total investment ~₹21.00 lakh) in HDFC Small Cap Fund would have grown to ~ ₹1.29 crore by September 30, 2025 (refer below table).

	Since Inception*	15 Year SIP	10 Year SIP	5 Year SIP	3 Year SIP	1 Year SIP
Total Amount Invested (₹ in lacs)	21.00	18.00	12.00	6.00	3.60	1.20
Market Value as on Sep 30, 2025 (₹ in lacs)	129.39	85.15	34.26	10.22	4.63	1.26
Returns (%)	18.32	18.69	19.90	21.47	17.05	9.59
Benchmark Returns (%) #	14.79	15.63	17.94	19.70	16.30	2.18
Additional Benchmark Returns (%) ##	13.07	13.24	13.97	12.71	11.29	4.96

CAGR returns are computed after accounting for the cash flow by using XIRR method (investment internal rate of return). 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.

HDFC Small Cap Fund - Performance - Regular Plan - Growth Option

NAV as on September 30, 2025 ₹ 139.666 (per unit)

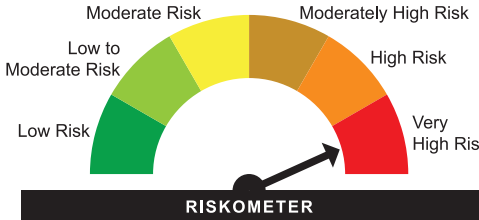
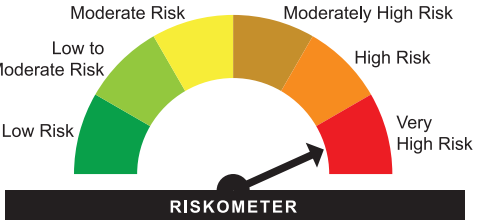
Period	Scheme Returns (%)	Benchmark Returns (%)#	Additional Benchmark Returns (%)##	Value of investment of (₹) 10,000		
				Scheme (₹)	Benchmark (₹)#	Additional Benchmark (₹)##
Last 1 Year	-1.56	-9.75	-3.45	9,844	9,025	9,655
Last 3 Years	22.42	21.65	14.21	18,358	18,012	14,904
Last 5 Years	29.58	27.65	18.36	36,557	33,911	23,241
Last 10 Years	18.39	15.69	13.34	54,166	42,994	35,010
Since Inception*	16.26	11.01	11.16	1,39,666	62,235	63,693

Common notes for all tables: *Inception Date: April 03, 2008. The Scheme is managed by Mr. Chirag Setalvad since June 28, 2014, # Benchmark Index: BSE 250 SmallCap Index (TRI) ## Additional Benchmark Index: NIFTY 50 Index (TRI). **Past performance may or may not be sustained in future and is not a guarantee of any future returns.** TRI - Total Returns Index. 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. Returns greater than 1 year period are compounded annualized (CAGR). Load is not taken into consideration for computation of above performance(s). Returns as on September 30, 2025. Refer Page 22 for Disclaimers.

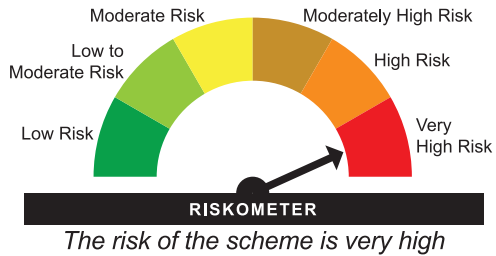
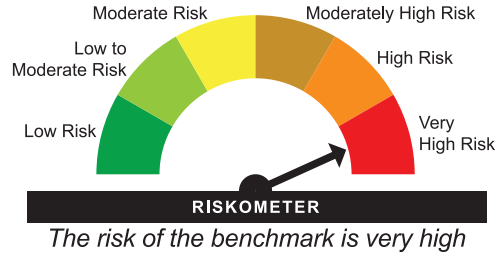
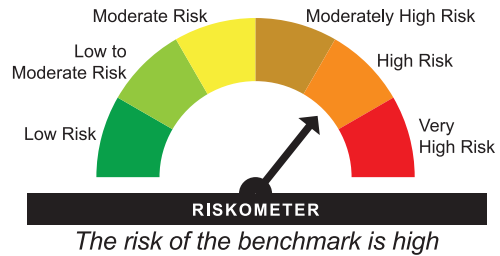
Performance of other funds managed by Chirag Setalvad, Fund Manager of
HDFC Small Cap Fund (who manages total 3 schemes) which have completed 1 year

	Managing Scheme since	Returns (%) as on September 30, 2025		
		Last 1 Year (%)	Last 3 Years (%)	Last 5 Years (%)
HDFC Children's Fund	2-Apr-07	-3.02	14.77	18.05
Benchmark - NIFTY 50 Hybrid Composite Debt 65:35 Index (Total Returns Index)		0.03	12.04	14.17
HDFC Mid Cap Fund▲	25-Jun-07	-1.27	25.15	28.64
Benchmark - NIFTY Midcap 150 (TRI)		-5.18	22.44	27.45

On account of difference in the type of the Scheme, asset allocation, investment strategy, inception dates, the performance of these schemes is strictly not comparable. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.** Returns greater than 1 year period are Compounded. Annualised (CAGR). Load is not taken into consideration for computation of above performance(s). 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. The above returns are of Regular Plan - Growth Option. TRI - Total Returns Index. ▲w.e.f June 27, 2025 scheme name changed from HDFC Mid-Cap Opportunities Fund to HDFC Mid Cap Fund.

This product is suitable for investors who are seeking*:	Scheme Riskometer#	Name of the Benchmark and Riskometer#
• To generate long-term capital appreciation / income • Investment predominantly in Small-Cap companies	 RISKOMETER <i>The risk of the scheme is very high</i>	BSE 250 SmallCap Index (TRI)  RISKOMETER <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		

Benchmark and Scheme Riskometer as on September 30, 2025.

Scheme Riskometer#	Name of the Scheme(s)	Name and Riskometer# of Benchmark
 The risk of the scheme is very high	• HDFC Mid Cap Fund^	NIFTY Midcap 150 Index (Total Returns Index)  The risk of the benchmark is very high
	• HDFC Children's Fund	NIFTY 50 Hybrid Composite Debt 65:35 Index (Total Returns Index)  The risk of the benchmark is high

^w.e.f June 27, 2025 scheme name changed from HDFC Mid-Cap Opportunities Fund to HDFC Mid Cap Fund.
Benchmark and Scheme Riskometer as on September 30, 2025.

The presentation dated October 30, 2025 has been prepared by HDFC Asset Management Company Limited (HDFC AMC) 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 given is for general purposes only. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.** The current investment strategies are subject to change depending on market conditions. The statements are given in summary form and do not purport to be complete. The views / information provided do not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this information. 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 may include statements of future expectations and other forward-looking statements that 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 in the presentation are illustrative and should not be construed as an investment advice or a research report or a recommended by HDFC Mutual Fund / AMC. The Fund may or may not have any present or future positions in these sectors. HDFC Mutual Fund/AMC is not guaranteeing any returns on investments made in the Scheme(s). The data/statistics are given to explain general market trends in the securities market, it should not be construed as any research report/research recommendation. Neither HDFC AMC and HDFC Mutual 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. For complete portfolio/details refer to our website www.hdfcfund.com

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

Thank You