HDFC MUTUAL FUND
BHAROSA APNO KA

ATMANIRBHAR BHARAT

A RISING MANUFACTURING POWERHOUSE

October 2025

HDFC MANUFACTURING FUND

Index

1 Manufacturing: The Key to India's Economic Growth ambitions and Why Its Time Has Come?

- Low share in GDP highlights significant job creation potential
- Manufacturing growth has historically driven high economic expansion
- Key for macroeconomic stability

2 Themes Driving Indian Manufacturing

- **Domestic Consumption:** Remains the backbone of the theme with key catalysts in place
- **Capex:** while Government capex continues, Private corporate capex may stage revival
- **Exports:** India’s cost advantages and derisking of supply chains can unlock growth.

3 HDFC Manufacturing Fund

- Investment Strategy
- Diverse universe for stock picking
- Current Portfolio positioning
- Why invest?

Need for Manufacturing in India's Amrit Kaal

HOLISTIC GROWTH

- Sustainable and Inclusive Growth
- Productivity Enhancement

MACROECONOMIC STABILITY

- Foreign Currency and Current Account Balance
- Inflation

LARGE SCALE EMPLOYMENT

- Income Enhancement
- Social Mobility

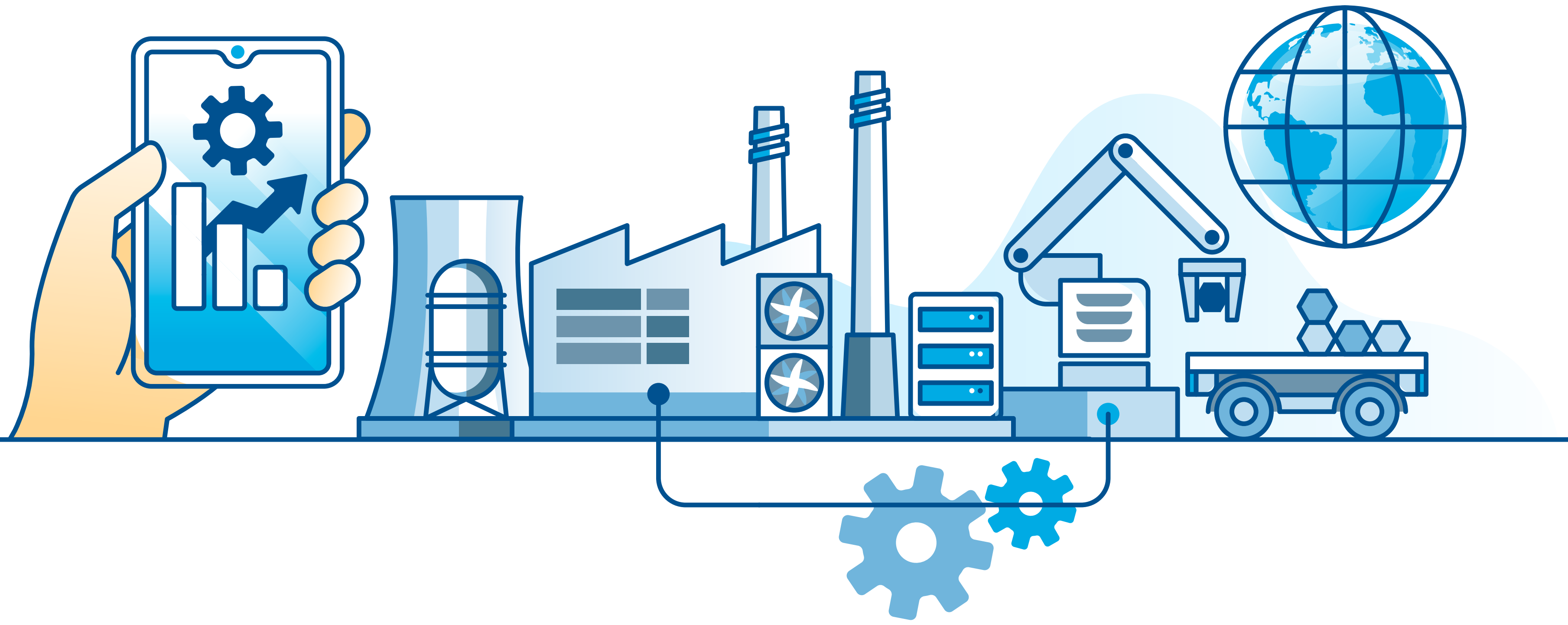
Driving Force behind success of Emerging Economies

HDFC MUTUAL FUND
BHAROSA APNO KA

Country	High growth phase	Average Real GDP growth in high growth phase	Manufacturing share at start of high growth phase	Manufacturing share at the end of high growth phase
Thailand	1985-1991	9.3%	21.9%	**28.2%**
China	1990-2005	9.8%	9.1%	**32%**
Indonesia	1983-1996	6.3%	13.4%	**24.1**
Vietnam	2010-2022	6.1%	19.2%	**25.8%**
India	2025-2030	??	~14%	**??**

- Most Asian peers have higher share of manufacturing in GDP

India's Manufacturing share in GVA targeted to grow from ~14% to 20% by 2030, when GDP could be US $7 trillion



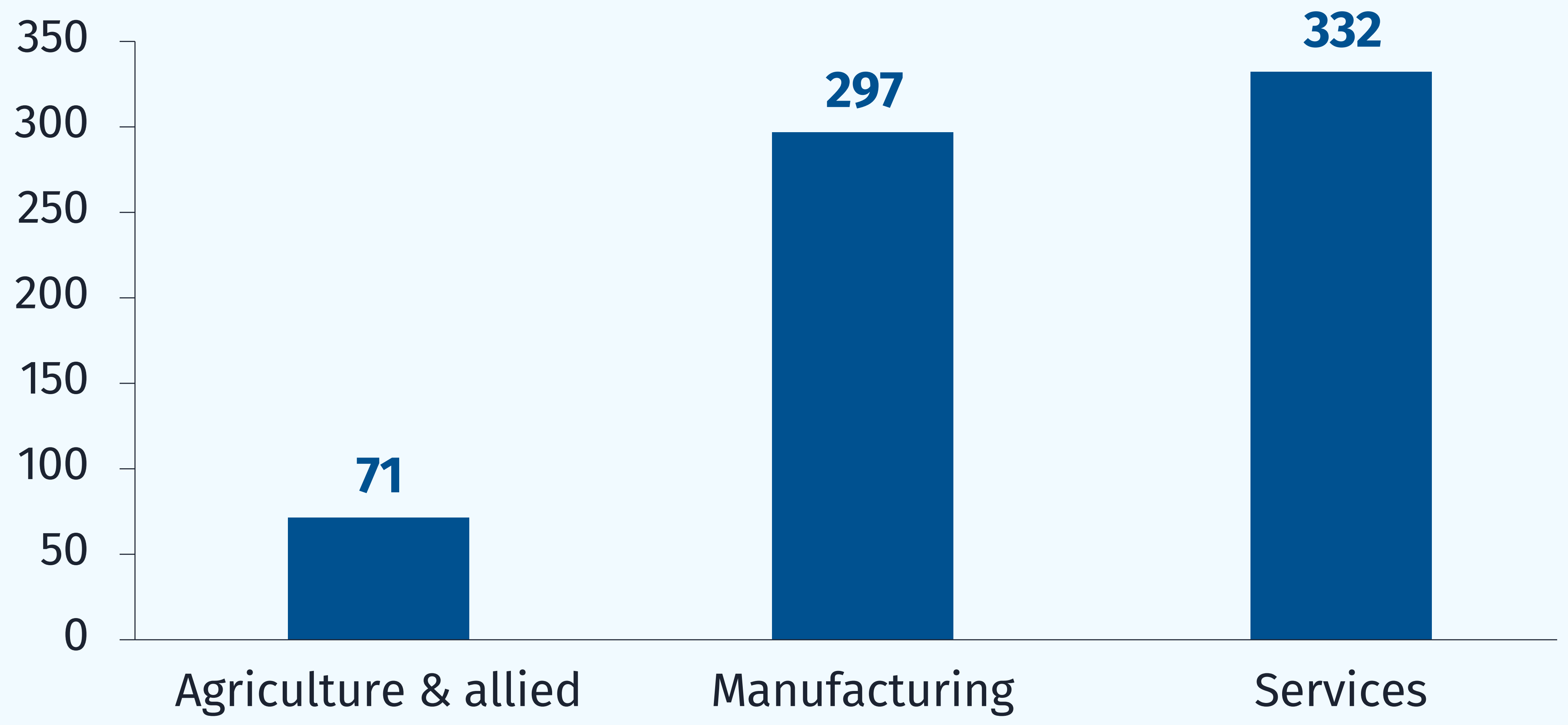
Source: UBS Research

Key to realize India's large Demographic Dividend

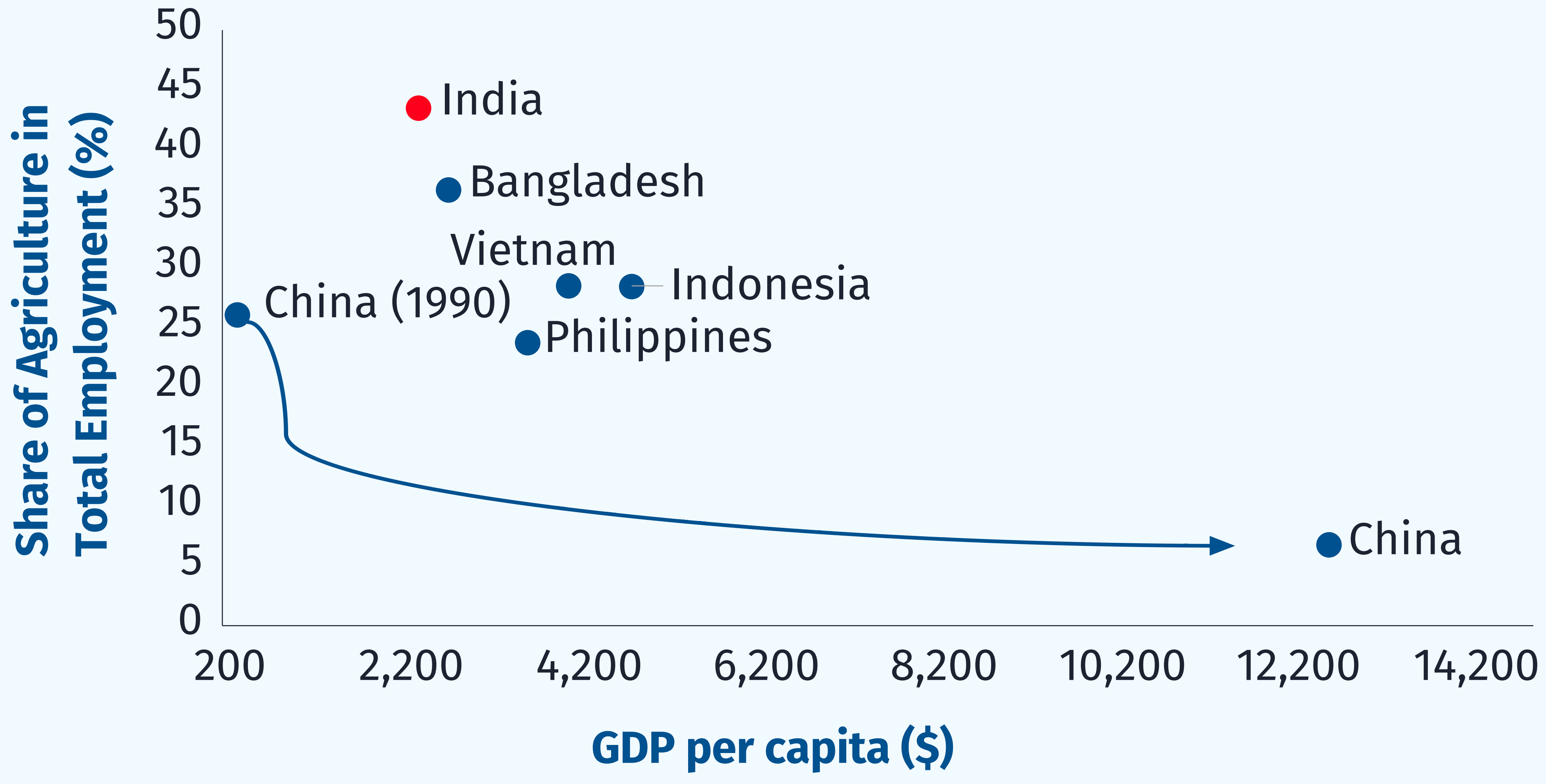
- Manufacturing leads to holistic growth and large-scale employment
- ~45% of India's labor force is employed in Agriculture
- China's journey to an upper-middle income country saw people moving from **'farms' to 'factories'**

Manufacturing adds ~4x more value vs. Agriculture...

Level of labour productivity (during 2008-17), Rs '000



.....Explaining China's journey from Low to upper middle income



Source: UBS Research, Morgan Stanley Research

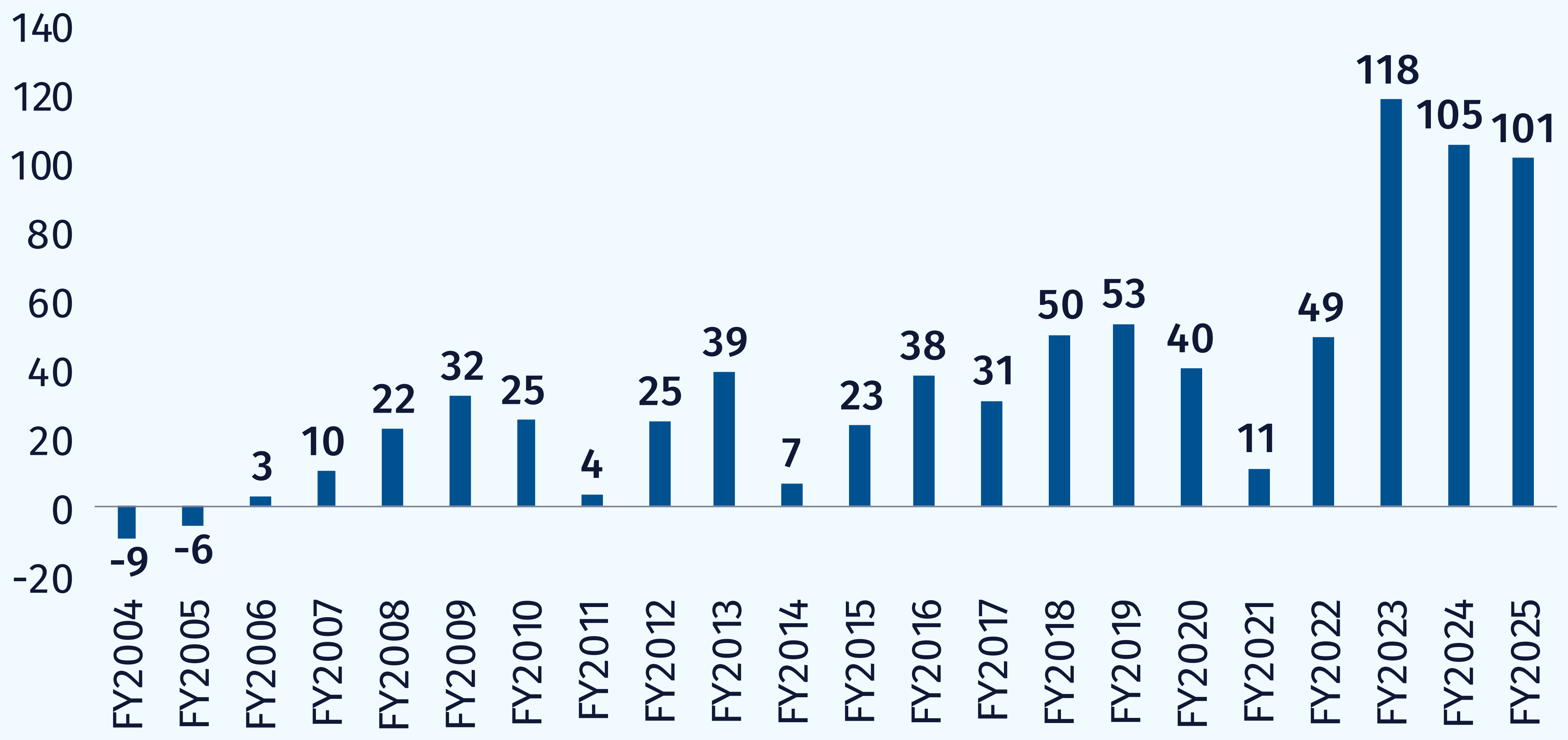
Key for India's Macro-economic Stability

HDFC MUTUAL FUND
BHAROSA APNO KA

- India's merchandise import (Excl. Oil & Gold) has been increasing
- INR has depreciated 3.3% against USD (10Y CAGR) and median inflation has been ~5.2%
- Vietnam and China, with high manufacturing exports, have current account surpluses; leading them to enjoy much lower currency depreciation* and hence lower inflation

Growth in consumption without commensurate manufacturing growth leading to higher trade deficit

Non-Oil Non-Gold Trade Deficit, USD mn



Current Account being in control is key for macroeconomic resilience

10Y Median	China	Vietnam	India
Median Inflation (%)	1.9	3.2	**5.2**
Current account balance (US$ bn)	236.0	5.8	**-32.0**
CAB as % of GDP	1.7	1.9	**-1.2**
Currency Depreciation* (%)	1.5	1.4	**3.3**

*against USD

CAB: Current Account Balance

Source: Morgan Stanley Research, UBS Research

Manufacturing: The Time has come

HDFC MUTUAL FUND
BHAROSA APNO KA

Convergence of Several Enablers to provide Multi Decadal Growth

OPPORTUNITY

- Large Consumer base
- Large Export opportunity in the Multipolar World

+

CAPABILITIES

- Large & skilled Labour pool
- Cost advantages vs peers
- Improving infrastructure
- Service ecosystem to support high end manufacturing

+

FAVORABLE ENVIRONMENT

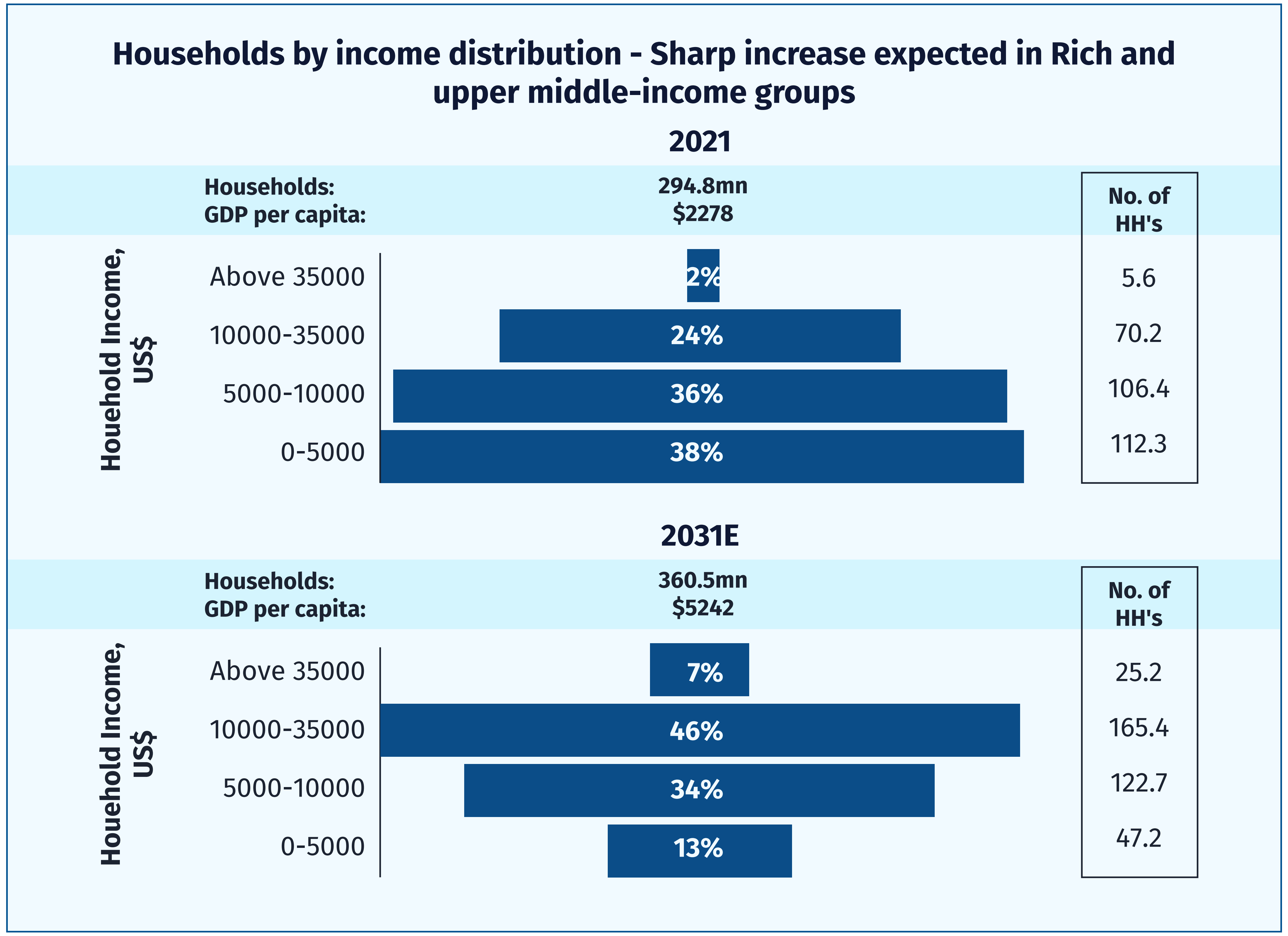
- Focus on Atmanirbharta
- Low leverage + higher capacity utilization
- Macro-economic stability + geopolitical factors

Key themes driving Indian Manufacturing

India's consumption

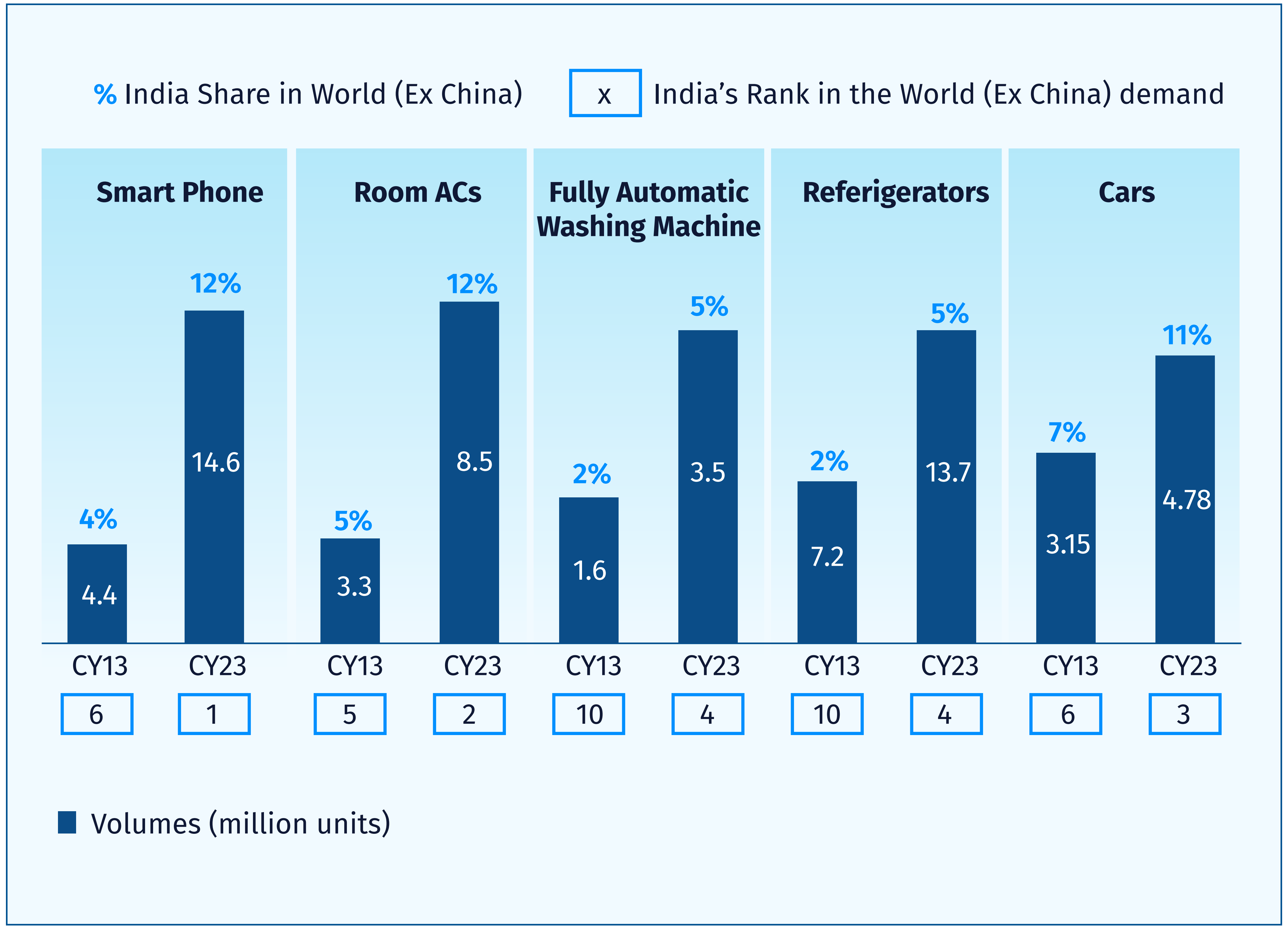
...while opportunities to increase imports from US are high

Changing income pyramid can lead to higher premiumization trends. Many new categories are becoming relevant due to higher TAM (total addressable market)



Source: Morgan Stanley Research; Household income is on real basis at 2021 prices, E-Estimates

Growing consumer market has become large enough to support local manufacturing



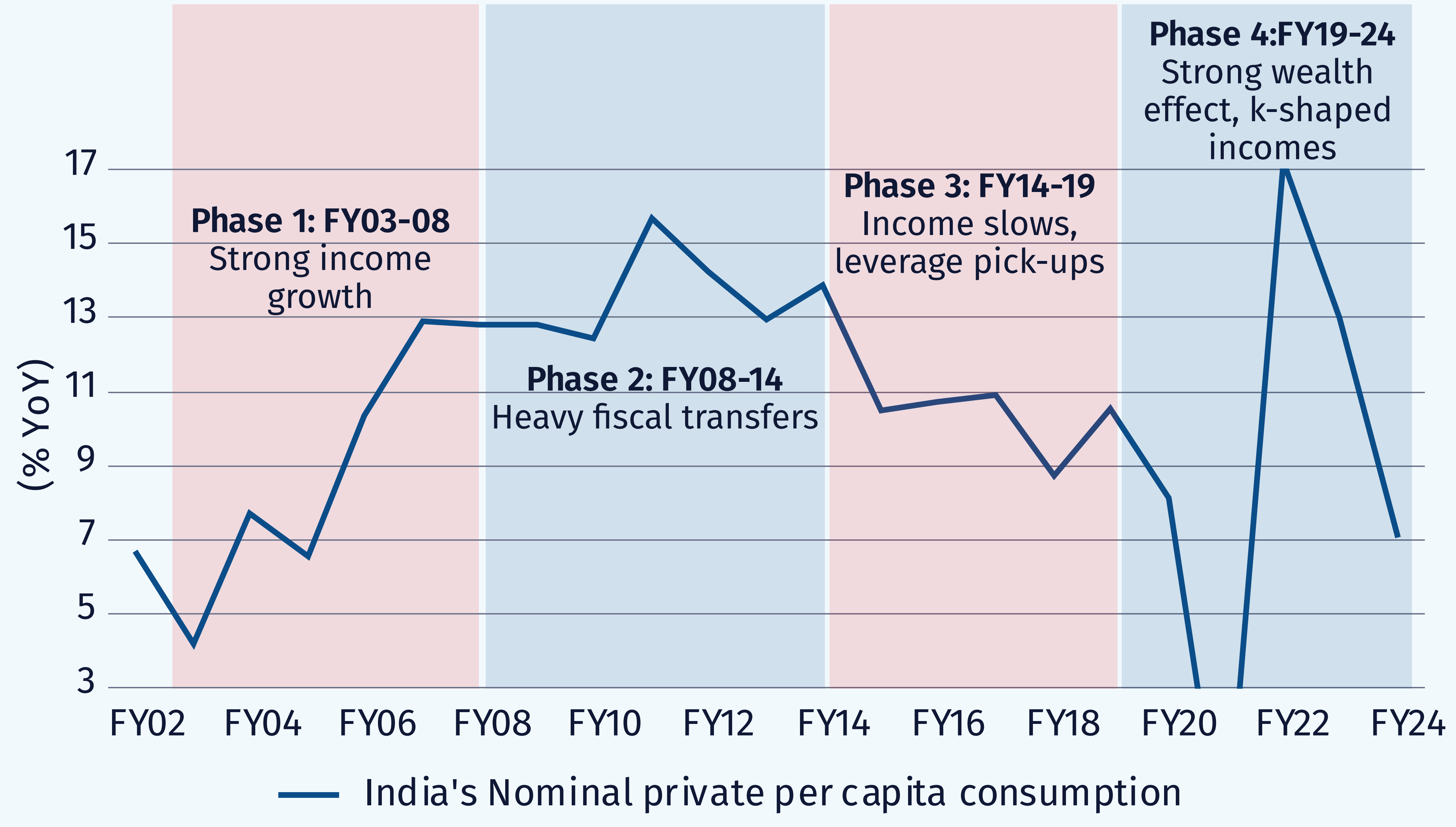
Source: Morgan Stanley, UBS, BoFA research

Positive drivers for consumption in the near term

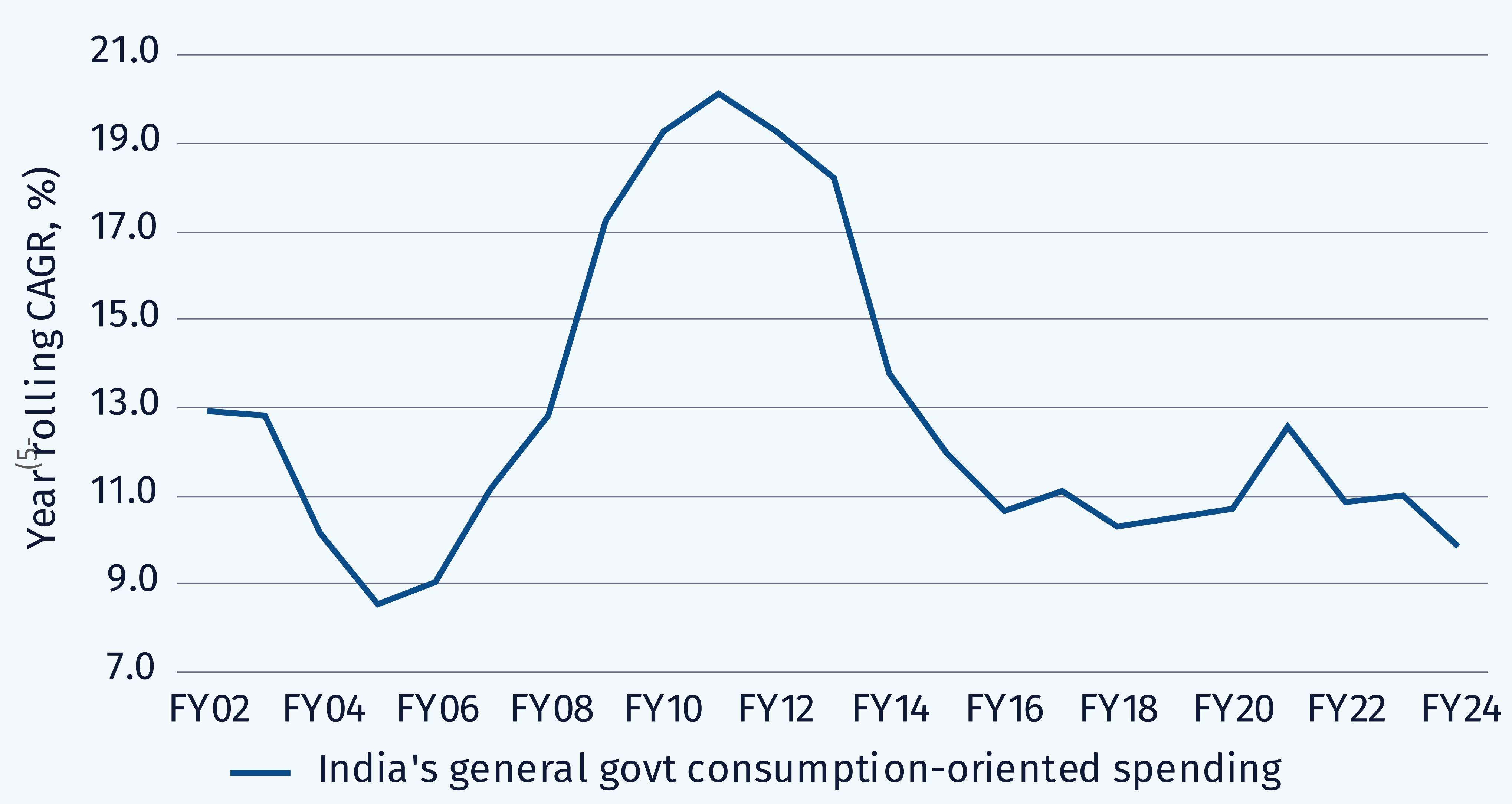
HDFC MUTUAL FUND
BHAROSA APNO KA

- Income Tax Cuts announced in the Union Budget have put more money in consumer hands
- Higher welfare spends from state government: More than Rs 3L crore of new schemes announced in 1 year
- Lower consumer price inflation: RBI expectation for FY26 of 2.6% shows that more income generated can be used for consumption

Government transfers have a strong correlation with consumption cycles



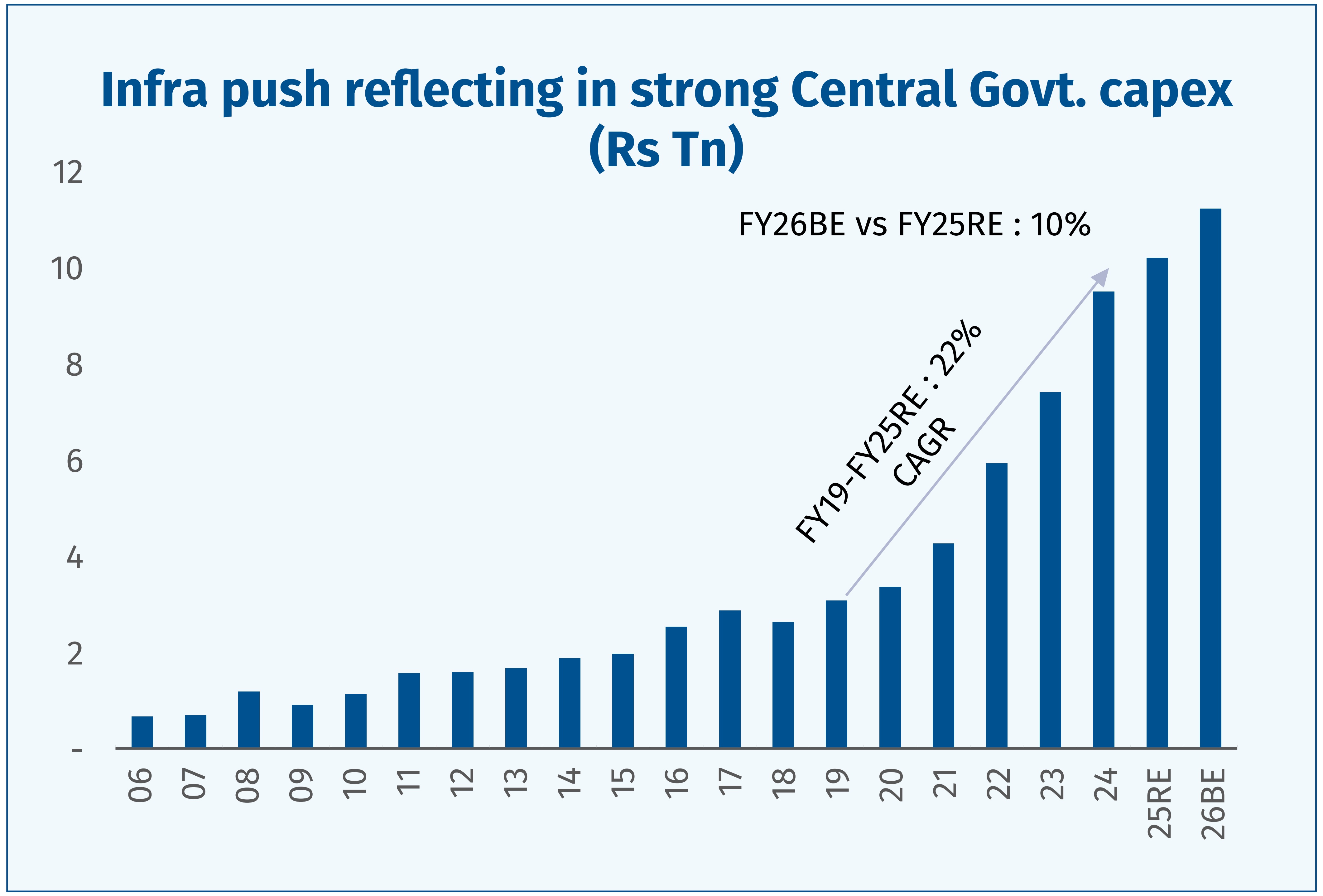
Government's consumption-oriented spending

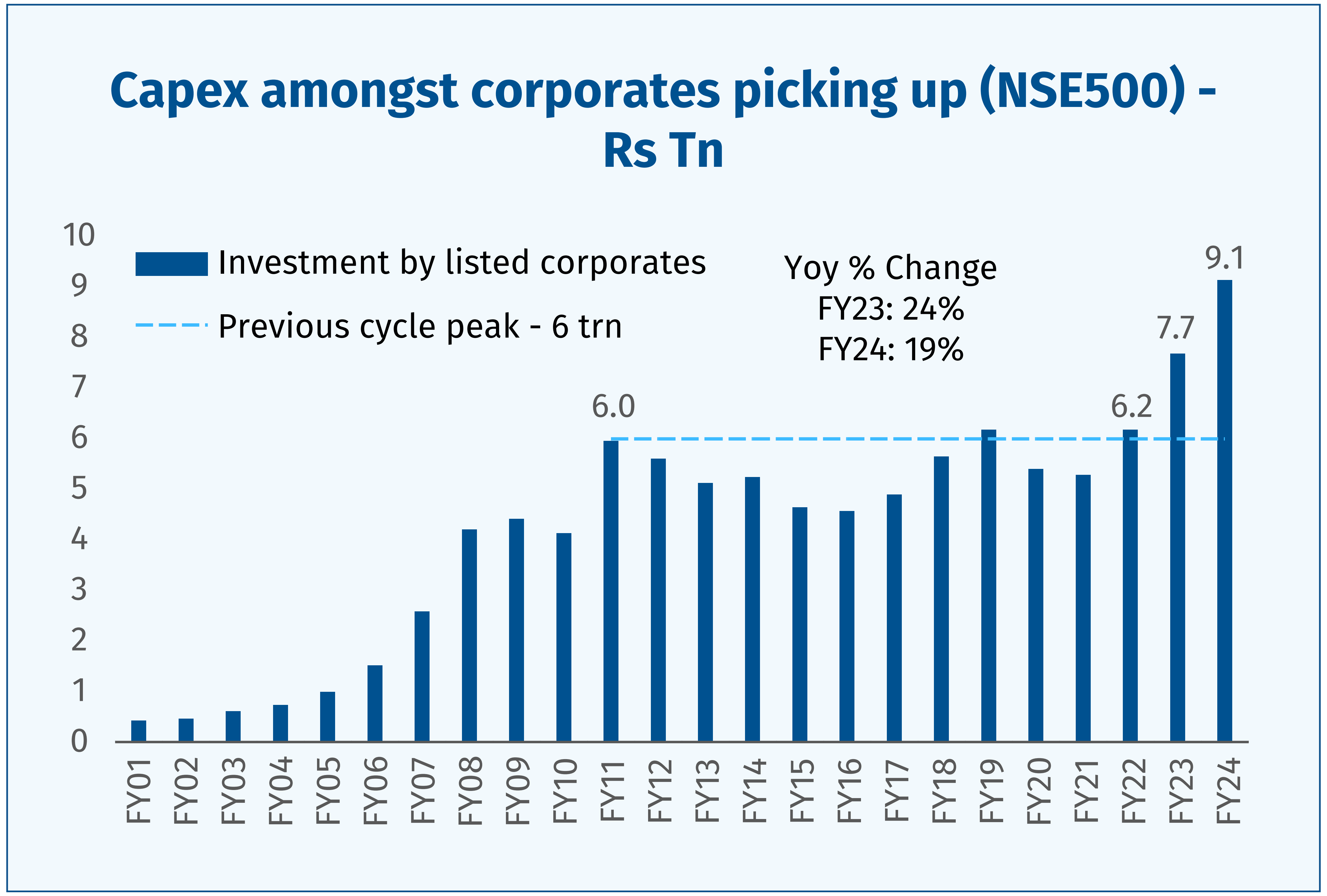


Source: Nuvama Institutional Equities

Capex as a driver for manufacturing

- Capex demand is a significant driver for manufactured industrial goods
- While Indian government capex growth could be relatively modest from here, areas of capex growth continue
- Indian private capex revival is key, and the listed space has shown signs of revival

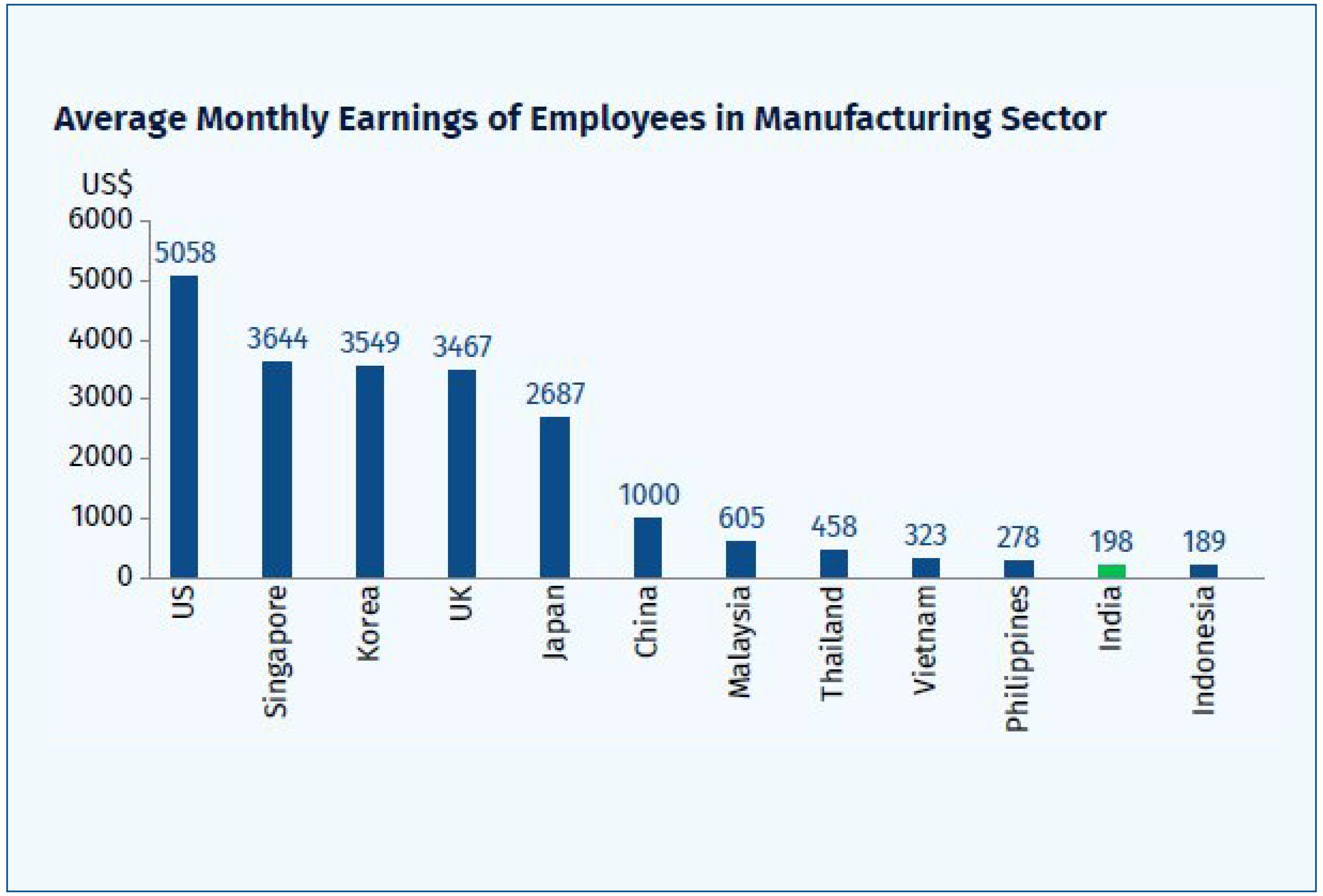


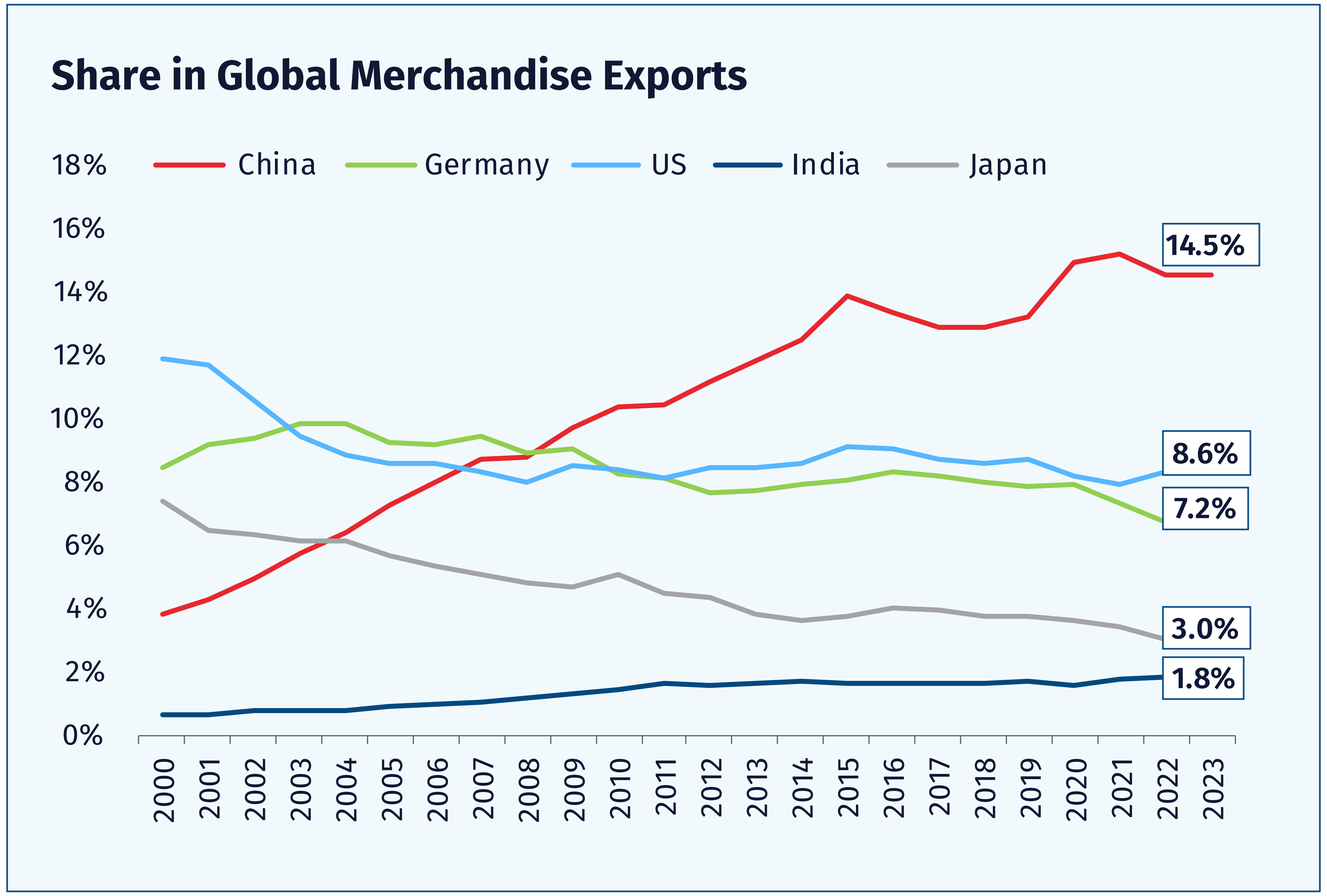


Source: I-Sec Research

Low share in goods export + cost advantages to drive export growth

- India's global export share is a fraction of China's— even a small shift could be a game-changer.
- India holds a significant cost advantage, especially in labor-intensive industries.
- Massive potential for India to expand its footprint in global merchandise exports.





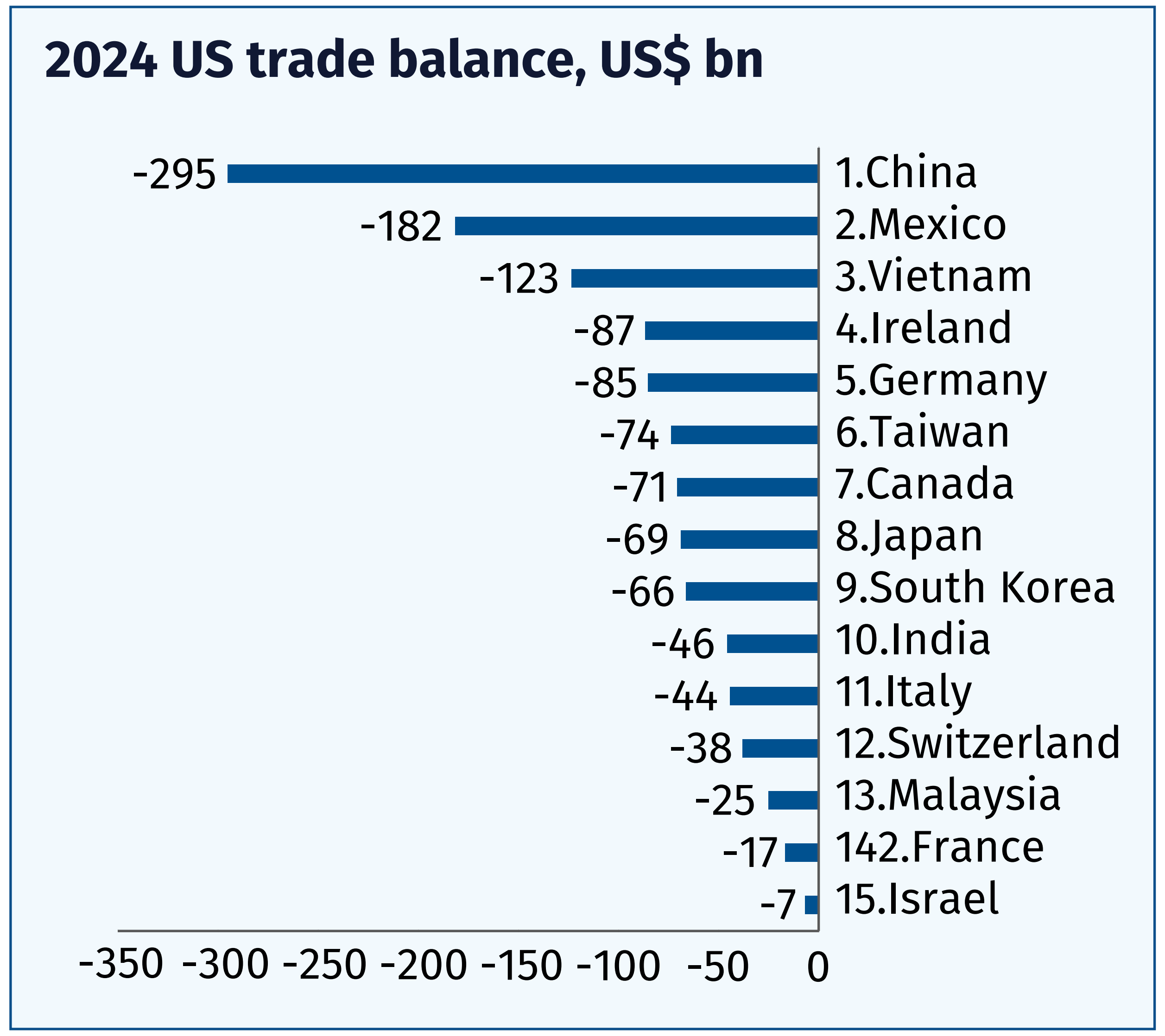
Source: ILO, UBS

India's share in US imports is low

…and changes in US Tariff structure could be an opportunity

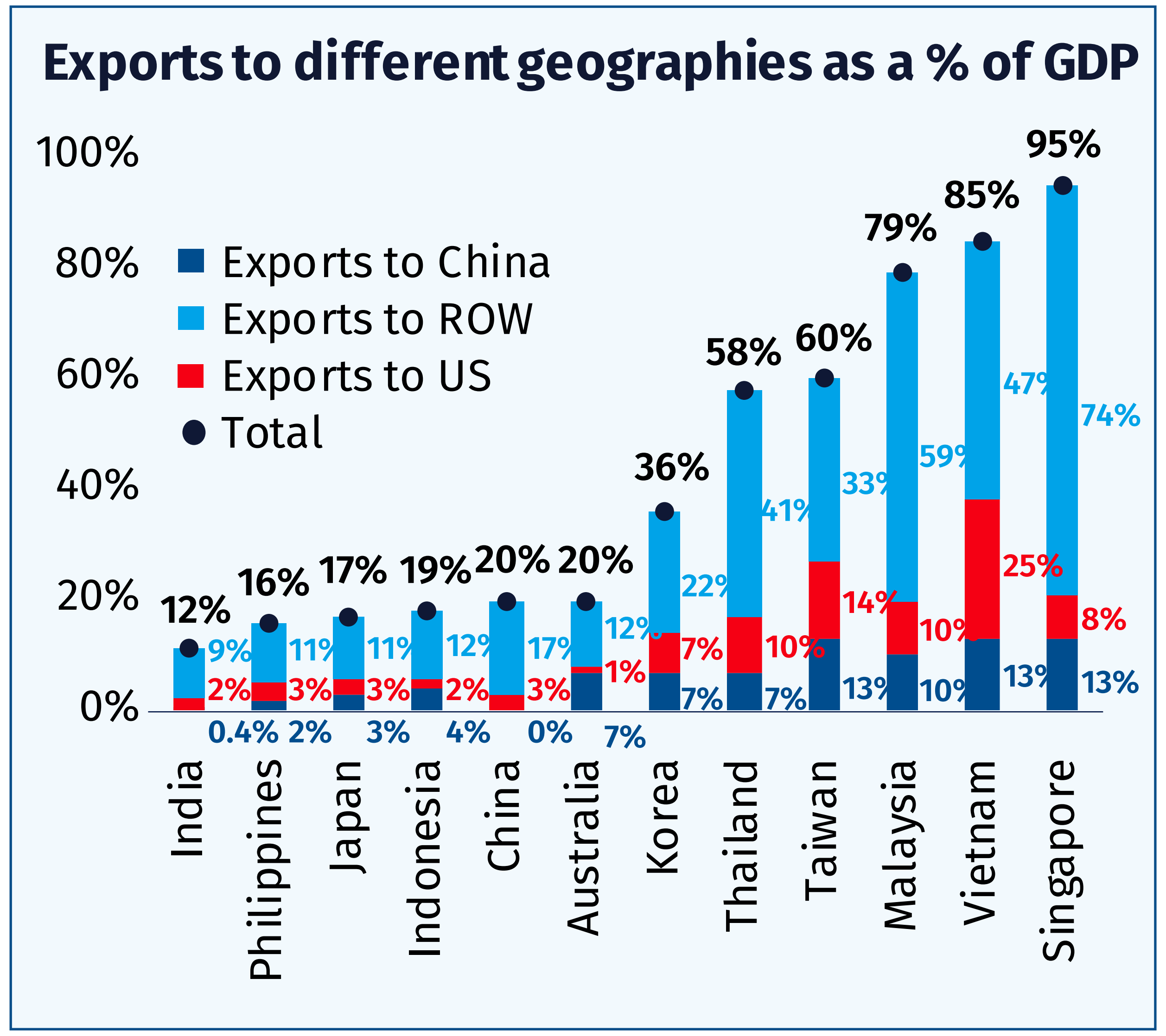
- The current US administration has highlighted 2 key issues on the trade front
  - Trade imbalances with major goods producers
  - Tariff structures are lopsided against the US
- Although several trade issues between the US and India remain unresolved, the reciprocal tariffs imposed on India are relatively lower compared to key peers. At present, the US has delayed the implementation of these tariffs by 90 days for all countries except China.
- India is only ~2.7% of US Imports implying opportunity for both countries to increase trade
- India is believe to actively working on a bilateral trade deal with USA

India contributed ~5% to the net US trade deficit



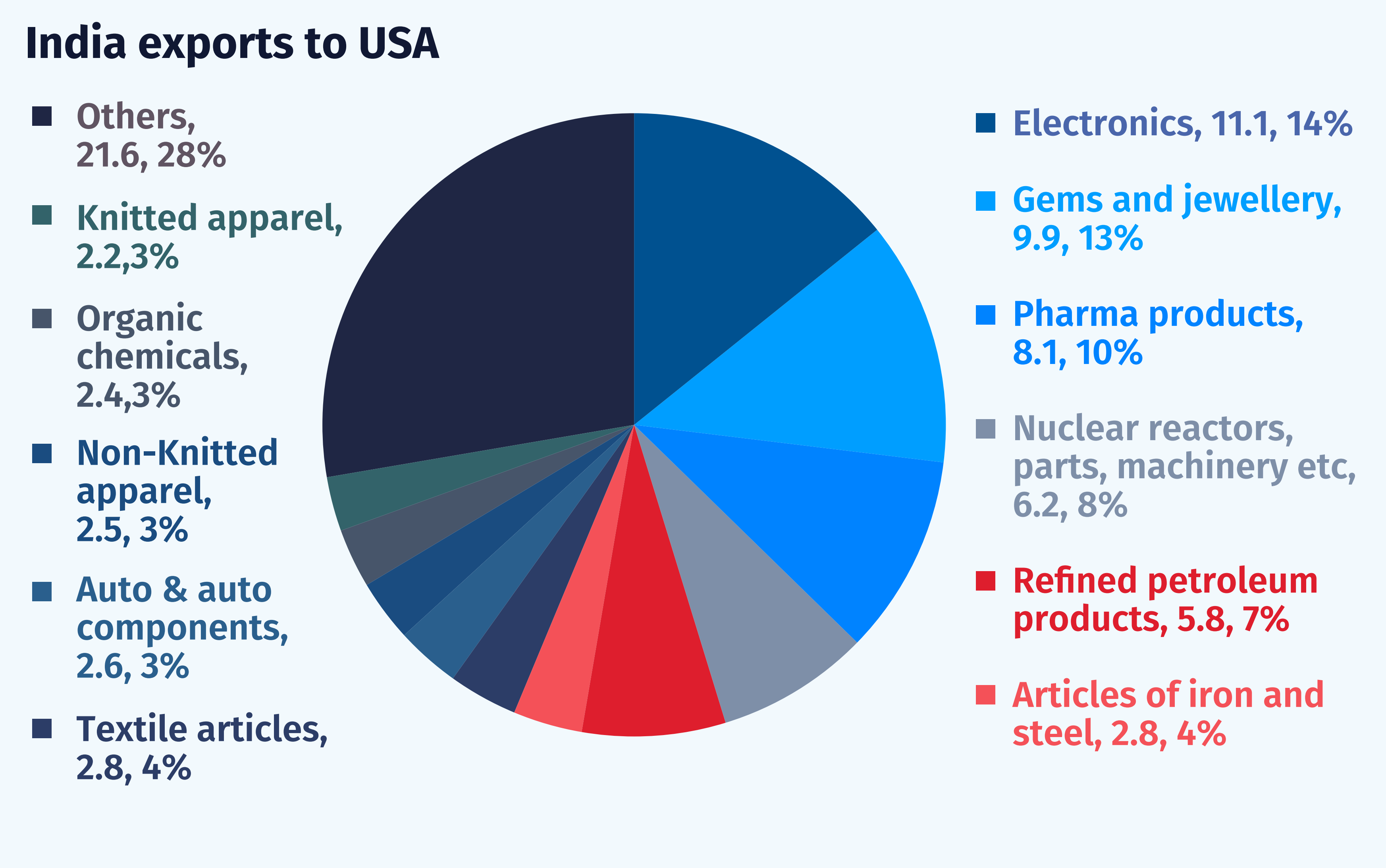
Source: US Bureau of Economic Analysis

Exports to US account for ~2% of India GDP



Source: Morgan Stanley Research

On the exports side, India serves as a low cost producer destination



Source: Ministry of Commerce

Note: Figures indicate India's exports to US by category, in US$ billions and as a % of our exports to the US

HDFC MUTUAL FUND
BHAROSA APNO KA

HDFC Manufacturing Fund

Investment Strategy

HDFC MUTUAL FUND
BHAROSA APNO KA

Core Portfolio

Core of the portfolio (at least 80%) will be invested in stocks that represent the diverse sectors of manufacturing

Investment Style / Stock Selection

Stock selection will be based on bottom-up research ideas which are expected to have long runway for growth

Portfolio Concentration

Reasonably well diversified portfolio

Market Cap

Flexible across market capitalisation

HDFC Mutual Fund / AMC is not guaranteeing returns on investments made in the scheme.
The current investment strategy is subject to change depending on the market conditions.

Wide universe = multiple themes to allocate to

HDFC MUTUAL FUND
BHAROSA APNO KA

	Number of companies	Market Cap (Rs lac cr)	%	Impacted by
Manufacturing Universe (Mcap >1000cr)	**763**	**194**	**100%**	
Capital Goods	227	38	20%	Capex
Automobile and Auto Components	81	32	17%	Consumption + Exports
Oil, Gas & Consumable Fuels	12	26	13%	Consumption + Exports
Healthcare	89	24	12%	Consumption
Metals & Mining	27	17	9%	Consumption
Consumer Durables	81	16	8%	Capex
Fast Moving Consumer Goods	65	14	7%	Consumption
Chemicals	97	13	7%	Consumption + Exports
Construction Materials	26	10	5%	Capex
Textiles	38	2	1%	Consumption + Exports
Others	20	1	1%	
By Market cap classification				
Large Cap	47	106	55%	
Mid Cap	70	41	21%	
Small Cap	646	47	24%	

Manufacturing covers 40% of the overall market cap, and is well diversified amongst sectors and market capitalisation

* excluding Diversified FMCG and Personal Products

Source: Capitaline, AMFI, Bloomberg. Data as of October 31, 2025

Above list is for illustration purpose only. Please refer to Scheme Information Document for more information.

Current portfolio

Stock	Weight / Number
AUM	INR 11,686 crores
Number of stocks	83
Top 10 stocks	34%
Equity (%)	99%
Of which:	
Largecap	54%
Midcap and Smallcap	45%
Cash and Cash Equivalents	0.40%
Benchmark	Nifty India Manufacturing Index (TRI)
Fund Manager	Rakesh Sethia (since May 16, 2024)

GICS Sector	Portfolio	Benchmark	OW / UW
Information Technology*	4.6	0.7	3.9
Consumer Staples	3.0	0.0	3.0
Energy	10.7	9.0	1.7
Utilities	0.8	0.0	0.8
Health Care	16.8	16.6	0.2
Industrials	19.3	20.4	-1.2
Consumer Discretionary	25.9	30.0	-4.1
Materials	18.6	23.3	-4.7

- Portfolio is well diversified in the current context where valuations remains elevated across sectors.
- Total Active share in the portfolio stands at 50%.
  We expect this to increase further as valuations starts to become more reasonable across market cap spectrum

* includes industrial manufacturing and electronic manufacturing service companies.

Data as on October 31, 2025

Market cap exposure & Current metrics

	Portfolio	Benchmark
Trailing PE	22.1	23.6
Trailing PB	3.00	3.5
LT Debt / Equity	0.34	0.48

Market Cap Segment wise Exposure

	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025
Large Cap	58.6%	59.4%	59.0%	63.7%	64.9%	65.0%	64.8%	62.8%	59.9%	55.3%	55.6%	55.2%	54.1%
Mid Cap	22.0%	20.9%	21.0%	16.4%	16.9%	17.3%	17.0%	17.0%	17.2%	20.5%	21.7%	21.0%	19.7%
Small Cap	17.3%	16.8%	17.2%	16.7%	16.9%	17.1%	17.2%	19.9%	21.6%	23.0%	22.5%	23.6%	25.8%

% of Net Assets (As per AMFI classification as on December 2024)

Data as on October 31, 2025

Key Risks

HDFC MUTUAL FUND
BHAROSA APNO KA

Risks	Mitigants
Slowdown in domestic and/or global growth could impact revenue and profit growth	With India emerging as the largest source of cost effective labor supply its manufacturing value proposition should allow it to be able to grow faster than rest of the world
Pace of reforms and implementation of policy initiatives could slow down or turn adverse	Indian government policies for manufacturing sector are favourable to the industry
Geopolitical developments impacting the availability of raw materials	Continued focus on diversification of supply chain and efforts toward localisation should help over time
Impact of Automation and AI	Automation and/or AI could lead to slower job creation, however, it is likely to bring overall cost down there by increasing affordability across goods and services
Risks around meeting ESG requirements	Bottom up analysis of ESG risks for investee companies

Why Invest?

HDFC MUTUAL FUND
BHAROSA APNO KA

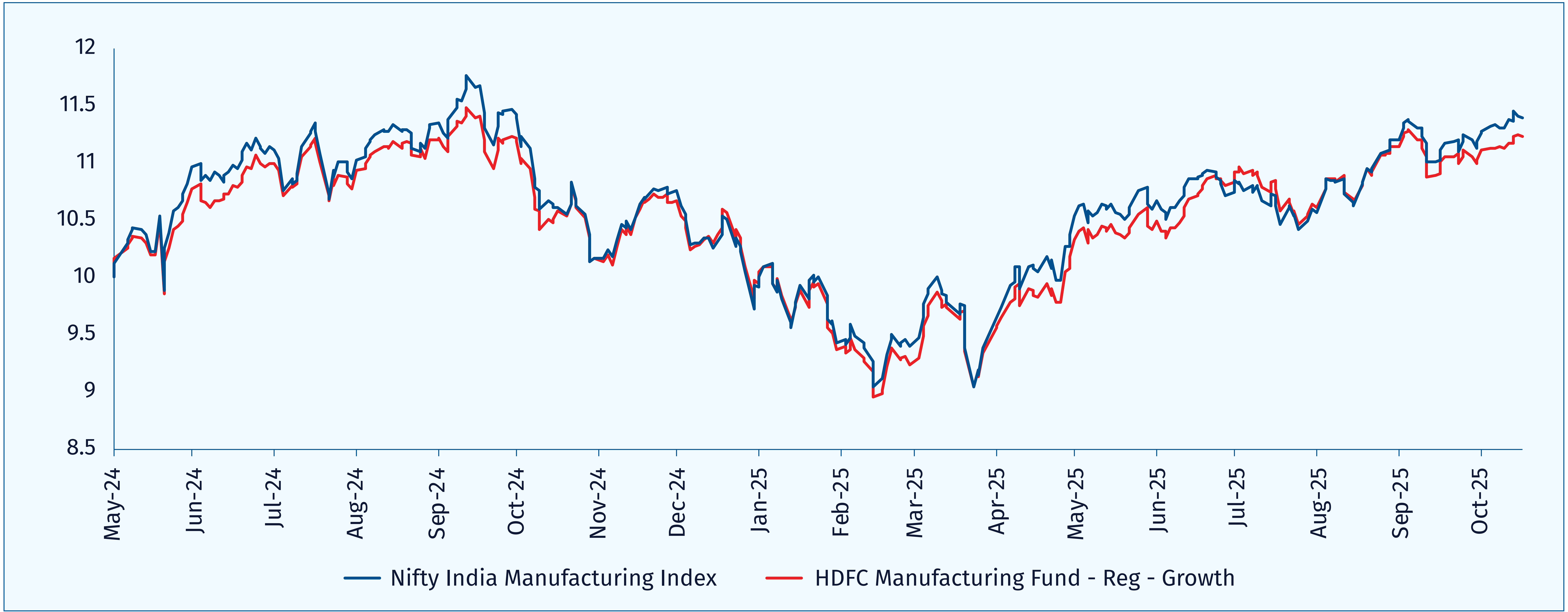
Offers exposure to multiple themes: It's a combined play on

- Growing consumption, investments and exports
- Changing geopolitical dynamics
- Emergence of India as a manufacturing powerhouse

Why now?

- Government's push for self-reliance (Atmanirbhar Bharat) by way of reforms and incentives
- Supportive macroeconomic environment with rising capex, low leverage and high levels of capacity utilisation
- Emergence of India as the largest pool of cost-effective labor supply
- Global realignment of supply chains
- High value-add manufacturing should accelerate, supported by dominance of a strong high end service economy

Performance



Source: MFI Explorer. Note - Values for the Benchmark, i.e., NIFTY India Manufacturing TRI, have been rebased to 10 since 16th May 2024, i.e., the inception of the scheme. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.** For complete performance in SEBI prescribed format, refer page 22

Data as of October 31, 2025

SIP PERFORMANCE^ - Regular Plan - Growth Option

	Since Inception SIP	1 year SIP
Total Amount Invested (₹. in Lacs)	1.80	1.20
Market Value as on October 31, 2025 (₹. in Lacs)	1.94	1.32
Returns (%)	9.79	18.39
Benchmark Returns (%)#	11.51	21.01
Additional Benchmark Returns (%)##	9.73	14.42

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.

PERFORMANCE^ - Regular Plan - Growth Option

NAV as on October 31, 2025 ₹11.232 (per unit)

Date	Period	Scheme Returns (%)	Benchmark Returns (%)#	Additional Benchmark Returns (%) ##	Value of ₹ 10,000 invested		
					Scheme (₹)	Benchmark (₹)#	Additional Benchmark (₹)##
Oct 31, 24	Last 1 Year	6.10	8.15	7.59	10,610	10,815	10,759
May 16, 24	Since Inception	8.28	10.22	11.42	11,232	11,528	11,711

Inception date: May 16, 2024. #NIFTY India Manufacturing Index ##NIFTY 50 (Total Returns Index). The scheme is managed by Mr. Rakesh Sethia since May 16, 2024.
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. ^**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. Returns as on October 31, 2025.

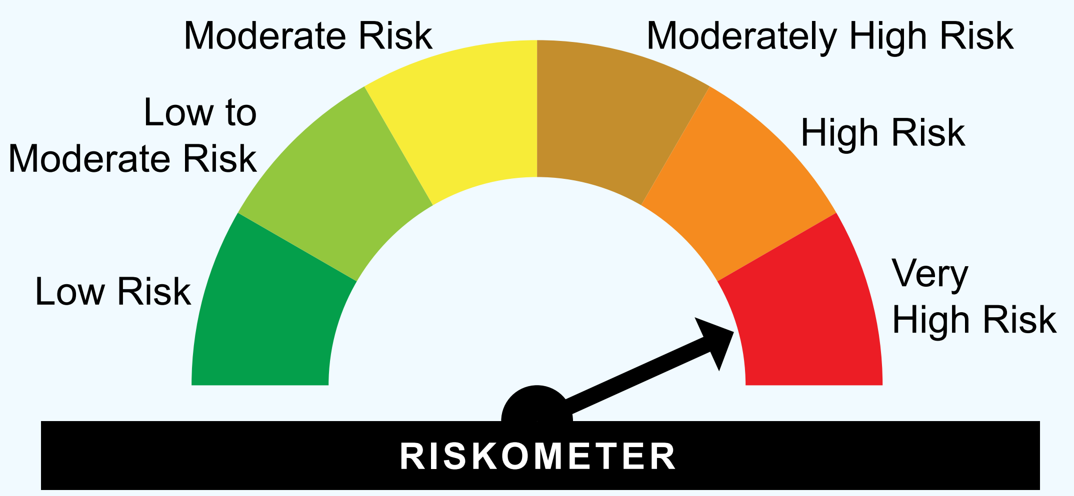
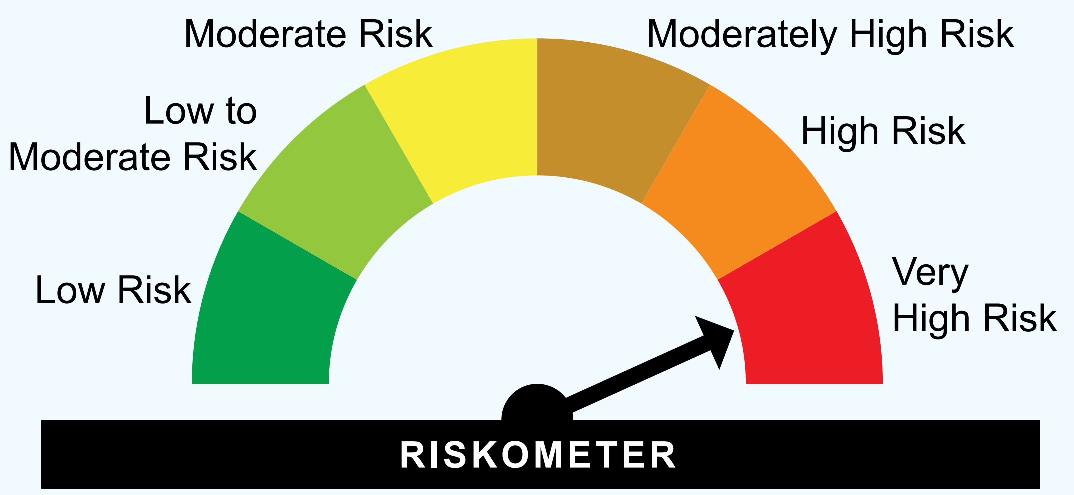
Fund Facts

Particulars	HDFC Manufacturing Fund
Type of Scheme	An open ended equity scheme following manufacturing theme
Investment Objective	To provide long-term capital appreciation by investing predominantly in equity and equity related securities of companies engaged in the manufacturing activity. **There is no assurance that the investment objective of the Scheme will be realized.**
Benchmark Index	Nifty India Manufacturing Index (TRI)
Fund Manager $	Mr. Rakesh Sethia
Investment Plans	• Direct Plan • Regular Plan
Investment Options	Under Each Plan: Growth, Income Distribution cum Capital Withdrawal – Payout and Reinvestment of IDCW
Minimum Application Amount	Purchase / Switches: Rs. 100/- and any amount thereafter
Load Structure	**Entry Load** : Nil **Exit Load**$$: In respect of each purchase/switch-in of units, an Exit load of 1% is payable if units are redeemed/switched-out within 1 month from the date of allotment. No Exit Load is payable if units are redeemed / switched-out after 1 month from the date of allotment. No Entry / Exit Load shall be levied on bonus units and Units allotted on Re-investment of Income Distribution cum Capital Withdrawal. In case of Systematic Transactions such as Systematic Investment Plan (SIP), Flex Systematic Investment Plan (Flex SIP), Systematic Transfer Plan (STP), HDFC Flex Systematic Transfer Plan (Flex STP), HDFC Swing Systematic Transfer Plan (Swing STP), HDFC Flexindex Plan (Flexindex) etc., Exit Load, if any, prevailing on the date of registration / enrolment shall be levied.

$$ 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.

For further details, refer Scheme Information Document and Key Information Memorandum and addenda thereto available on www.hdfcfund.com and at Investor Service Centres of HDFC Mutual Fund.
$Dedicated fund manager for overseas investments Mr. Dhruv Muchhal

HDFC Manufacturing Fund

This product is suitable for investors who are seeking*:	Riskometer#	Benchmark Riskometer#
• To generate long-term capital appreciation • Investment predominantly in equity & equity related securities of companies engaged in the manufacturing theme.	 *The risk of the scheme is very high*	 *The risk of the benchmark is very high*
*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 October 31, 2025		

The Scheme being thematic in nature carries higher risks versus diversified equity mutual funds on account of concentration and theme specific risks.

Disclaimer

The views expressed herein are as of 13th November, 2025 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 and is not a guarantee of any future returns.** 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.

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

HDFC MUTUAL FUND
BHAROSA APNO KA

THANK YOU