

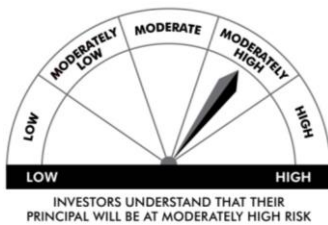
# HDFC Mid-cap

## OPPORTUNITIES FUND

(An Open-ended Equity Scheme)



### Riskometer



This product is suitable for investors who are seeking\*

- Capital appreciation over long term.
- Investment predominantly in equity and equity related instruments of small & midcap companies.

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

# Small in size, big on stature!

Did you know India's....	Company	Market Cap. (INR crore)*	Category
Leading Batteries Company	Exide Industries Ltd.	12,303	Mid Cap
Largest manufacture & exporter of Explosives in India	Solar Industries India Ltd	6,553	Mid Cap
One of India's leading ceramics and abrasives manufacturers	Carborundum Universal Ltd.	3,460	Mid Cap
Market Leader in Commercial Refrigeration	Blue Star Ltd.	3,573	Mid Cap
Market leader in specialty ceramics and refractory products	Vesuvius India Ltd.	1,634	Mid Cap

\* Market capitalization as on Dec 31,2015.

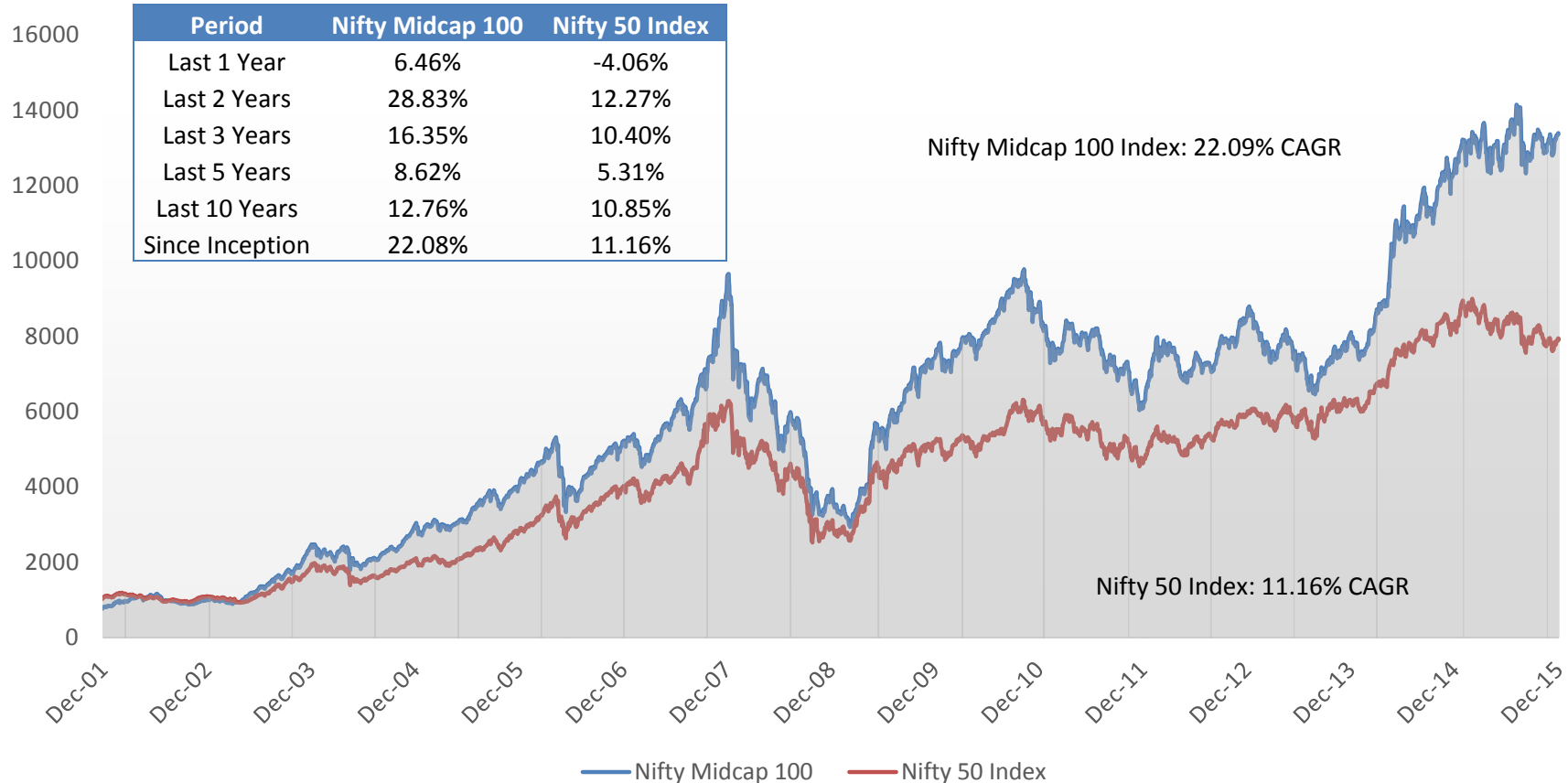
Source: BSE Limited ([www.bseindia.com](http://www.bseindia.com))

Stocks referred above are purely illustrative and are not recommended by HDFC Mutual Fund/ HDFC Asset Management Company Ltd. The Fund may or may not have any present or future positions in these stocks. Data as viewed on company websites as on Dec 31<sup>st</sup>, 2015

# Relative Index Performance

(Dec 31, 2001 – Dec 31, 2015)

Over a longer period of time, the performance of mid-caps (represented by Nifty Midcap 100 Index) compensates for their inherently greater volatility relative to large-caps (represented by Nifty 50 Index).



Source: IISL

Internal data computation

Returns are of Dec 31, 2015.

Past Performance may or may not be sustained in the future. HDFC Mutual Fund/AMC is not guaranteeing returns on investments made in this scheme.

**Inception Dates:** Nifty Midcap 100 Index – 01/01/2003 Nifty 50 Index – 03/11/1995

# HDFC Mid-cap Opportunities Fund ('The Fund')

## A Mid Cap Focused Investment Strategy

The Fund invests in a mix of Midcap (75 - 100%) and Small companies (0-15%)

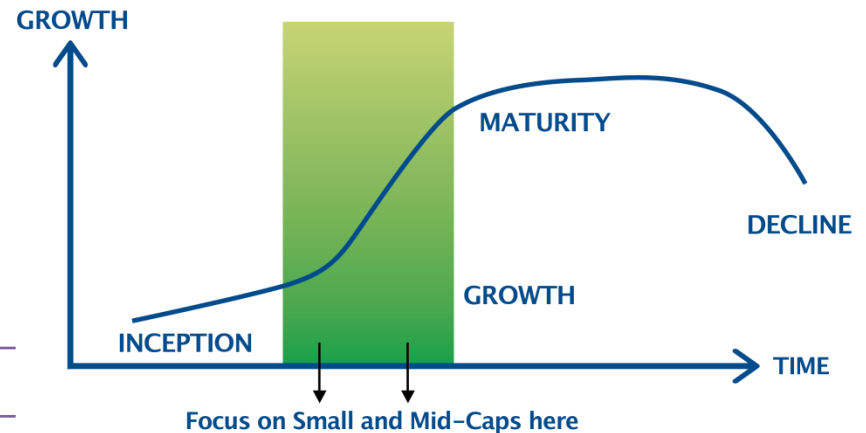
The Fund targets less discovered, high quality small and midcap companies that are growing well and available at reasonable valuations

### Superior Growth to be driven by

- Presence in generally new & faster growing segments
- Ability to gain share due to new technology, better products / services etc.
- Small base and niche presence

### To identify less discovered companies

	Small Cap	Mid Caps	Large Caps
Research Available	Scant	Selective	High
Institutional Ownership	Low	Moderate	High

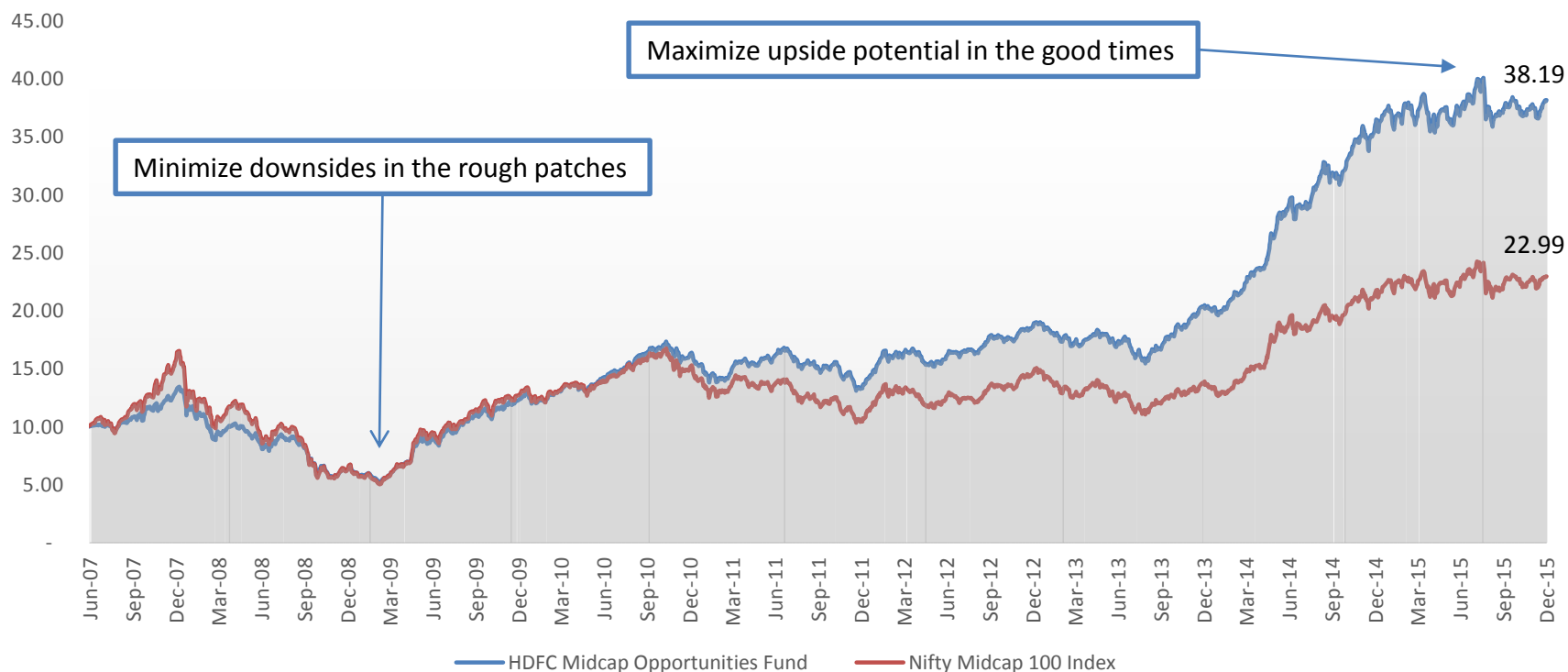


# Active Fund Management

## A Key Differentiator

### Fund V/s Index

An Actively managed portfolio does have its benefits over a long term horizon



Source: Internal data computation

The Nifty Midcap 100 index is indexed to a base unit of 10. Past performance may not be sustained in the future. HDFC Mutual Fund/AMC is not guaranteeing returns on investments made in this scheme.

# Risk Management

- Small and Mid-Cap companies may carry higher risk than large cap companies, particularly over the short and medium term
- Control risk by adopting the following investment strategy:
- Aims to maintain a well diversified portfolio (stocks as on Dec 31, 2015)

Stocks	Scheme	Nifty Midcap 100 Index #	Nifty 50 Index ##
Top 5 Stocks (%)	12.85	28.97	35.78
Top 10 Stocks (%)	22.70	45.04	54.65

- The investment in small cap stocks to be restricted to 15% of net assets
- The scheme permits investments in companies other than small and mid-cap companies and in Debt and Money Market Instruments including investments in securitized debt up to 25% of the net assets

Portfolio concentration (%) as on Dec 31, 2015.

# Benchmark index

## Additional Benchmark index

For further details on investment strategy refer Scheme Information Document/Key Information Memorandum. For complete portfolio details refer

[www.hdfcfund.com](http://www.hdfcfund.com)

# HDFC Mid-cap Opportunities Fund

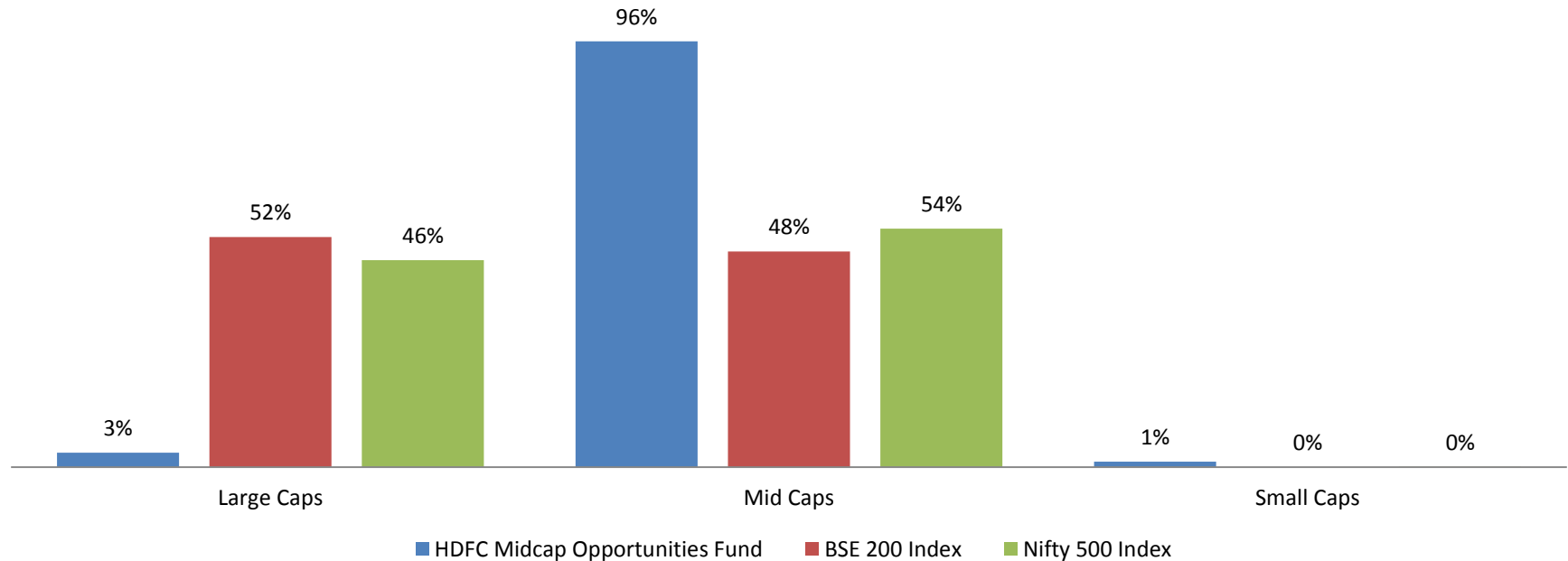
Building blocks of wealth

- **What has worked in the past**
  - Mid-cap IT and overall overweight on IT
  - Bottom-up stock picks across sectors
  
- **What we think will work**
  - Interest rate linked cyclicals – best played via banks & industrials
  - Beneficiaries of weak commodity prices
  - Avoiding the commodity producers – Metals
  - Bottom up consumer discretionary stock picks.

# Market Capitalization Breakup

(As on Dec 31, 2015)

HDFC Mid – Cap Opportunities Fund offers investors greater exposure to small and mid caps relative to broad based market indices.



**Source:** National Stock Exchange ([www.nseindia.com](http://www.nseindia.com)) & BSE Ltd ([www.bseindia.com](http://www.bseindia.com))

**Mid – Cap Companies:** Those companies that are either a constituent of Nifty Midcap 100 Index or companies that have market capitalization of Rs.500 crore or more but do not exceed the market capitalization of the largest constituent of the Nifty Midcap 100 Index.

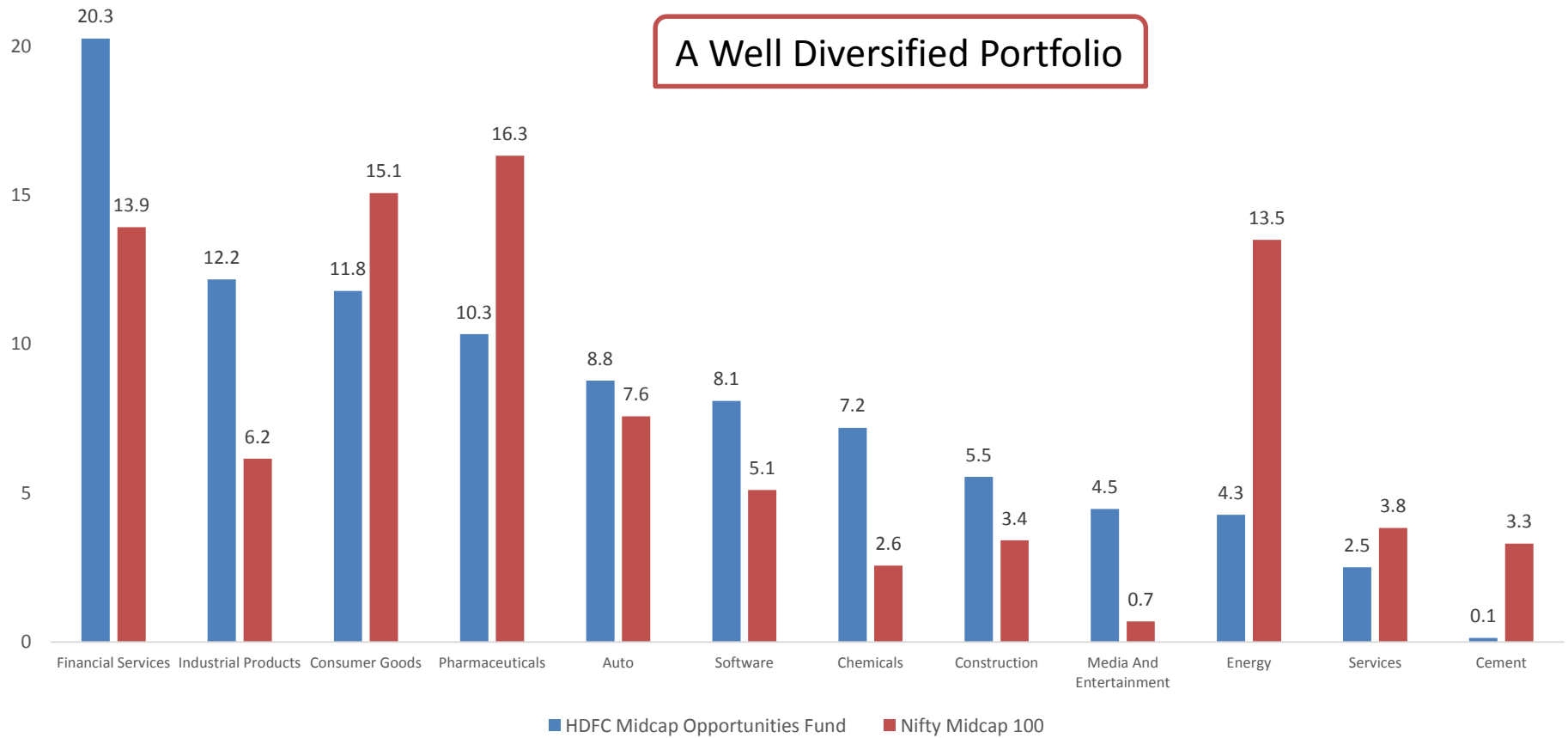
**Small – Cap Companies:** Those companies whose market capitalization is lower than Rs.500 crore.

**Large – Cap Companies:** All companies other than the above two categories.



# Industry Allocation - % of Net Assets

(As at Dec 31, 2015)



For complete portfolio details refer [www.hdfcfund.com](http://www.hdfcfund.com)  
Benchmark for the fund is Nifty Midcap 100 Index

# Fund Facts

(As at Dec 31, 2015)

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Total Equity & Equity Related Holdings	95.5%
Cash, Cash Equivalents and net Current Assets	4.5%
<b>Average AUM</b> <b>quarter ended Dec 31, 2015 (Rs. in crores)</b>	<b>10,685.03</b>
Total Number of stocks in the Portfolio	74
Top 10 Holdings (As a % Of Total Holdings)	22.7
Top 15 Holdings (As a % Of Total Holdings)	31.21
Portfolio Turnover Ratio (%)	38.8
<b>Current portfolio P/E (Trailing P/E)</b>	<b>20.6</b>
Current Portfolio Beta	0.79

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

# Why HDFC Mid-cap Opportunities Fund?

- Opportunity to invest in a diversified portfolio of small and mid sized companies with faster growth potential
- Provides diversification to an investor's overall equity mutual fund portfolio
- Fund invests in companies with a long term growth horizon.
- One of the most experienced fund management and research teams in the country with a track record of managing equity assets across market cycles
- Strong emphasis on risk management to mitigate the inherently greater volatility of a portfolio dominated by small and mid cap companies



Source: Internal Data computation

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

# Product Features

Type of Scheme	Open-ended Equity Scheme
Inception Date (Date of allotment)	June 25, 2007
Investment Objective	To generate long – term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities of small and mid – cap companies
Fund Manager \$	Mr. Chirag Setalvad
Investment Plans	HDFC Mid-Cap Opportunities Fund, HDFC Mid-Cap Opportunities Fund - Direct Plan
Investment Options	Under Each Plan: Growth & Dividend. The Dividend Option offers Dividend Payout and Reinvestment facility
Minimum Application Amount (Under Each Plan/Option)	Purchase: Rs. 5,000 and any amount thereafter Additional Purchase: Rs. 1,000 and any amount thereafter
Load Structure	<p>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.</p> <p>Exit Load:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• No exit load is payable if units are redeemed / switched – out after 1 year from the date of allotment</li> </ul> <p>No Entry/ Exit Load shall be levied on bonus units and units allotted on dividend reinvestment.</p> <p>For further details on load structure, please refer to the Scheme Information Document.</p>
Benchmark	Nifty Midcap 100 Index

\$ Dedicated Fund Manager for Overseas Investments: Mr. Rakesh Vyas  
For further details refer Scheme Information Document/Key Information Memorandum

# Asset Allocation Pattern

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

Type of Instruments	Minimum Allocation (% of Net Assets)	Maximum Allocation (% of Net Assets)	Risk Profile of the Instrument
Equity and equity related securities of Small and Mid-Cap companies of which <ul style="list-style-type: none"> <li>• Small-Cap companies</li> <li>• Mid-Cap companies</li> </ul>	75 0 75	100 15 100	High
Equity and equity related securities other than above	0	25	High
Debt and Money Market Securities	0	25	Low to Medium

The investment in Securitised Debt will not normally exceed 25% of the net assets of the Scheme  
 The Scheme may seek investment opportunity in the ADR / GDR / Foreign Securities (max. 25% of net assets) subject to SEBI (Mutual Funds) Regulations, 1996. The Scheme may use derivatives mainly for the purpose of hedging and portfolio balancing (max. 20% of net assets) based on the opportunities available subject to SEBI (Mutual Funds) Regulations, 1996.

# Scheme Performance Summary

Scheme	NAV as on 31 Dec 2015	Discrete Returns in %				Value of investment of Rs. 10,000 Since Inception (Rs.)
		31 Dec 2014 to 31 Dec 2015	31 Dec 2013 to 31 Dec 2014	31 Dec 2012 to 31 Dec 2013	Since Inception CAGR (in %)	
<b>HDFC Mid- Cap Opportunities Fund</b>	<b>38.190</b>	5.81	76.63	9.64	17.02	38,190
Nifty Midcap 100 Index <sup>1</sup>		6.46	55.91	-5.10	10.26	22,990
Nifty 50 Index <sup>2</sup>		-4.06	31.39	6.76	7.59	18,656
<b>Other Funds Managed by Chirag Setalvad, Fund Manager of HDFC Mid-Cap Opportunities Fund</b>						
<b>HDFC Balanced Fund @</b>	<b>108.474</b>	3.01	51.47	8.78	16.85	1,08,474
CRISIL Balanced Fund Index <sup>1</sup>		0.48	25.34	6.05	NA	NA
Nifty 50 Index <sup>2</sup>		-4.06	31.39	6.76	11.72	54,563
<b>HDFC Capital Builder Fund#</b>	<b>204.882</b>	4.61	51.95	10.37	14.77	2,04,882
Nifty 500 Index <sup>1</sup>		-0.72	37.82	3.61	8.78	63,273
Nifty 50 Index <sup>2</sup>		-4.06	31.39	6.76	8.88	64,608
<b>HDFC Long Term Advantage Fund @@</b>	<b>230.008</b>	-2.40	44.68	10.96	23.24	2,30,008
S&P BSE SENSEX <sup>1</sup>		-5.03	29.89	8.98	13.29	64,987
Nifty 50 Index <sup>2</sup>		-4.06	31.39	6.76	12.99	62,481
<b>HDFC Small and Mid Cap Fund# *</b>	<b>27.303</b>	6.42	51.48	7.52	13.84	27,303
Nifty Smallcap 100 Index <sup>1</sup>		7.21	54.95	-8.28	5.66	15,318
Nifty 50 Index <sup>2</sup>		-4.06	31.39	6.76	6.80	16,653
<b>HDFC Children's Gift Fund - Investment Plan \$ @</b>	<b>108.878</b>	2.44	43.10	12.96	17.45	1,08,878
CRISIL Balanced Fund Index <sup>1</sup>		0.48	25.34	6.05	NA	NA
Nifty 50 Index <sup>2</sup>		-4.06	31.39	6.76	12.94	60,829
<b>HDFC Children's Gift Fund - Savings Plan \$ ^</b>	<b>47.604</b>	5.45	24.68	5.53	11.09	47,604
CRISIL MIP Blended Index <sup>1</sup>		6.79	16.83	4.41	NA	NA
CRISIL 10 Year Gilt Index <sup>2</sup>		7.39	14.14	-0.68	NA	NA
<b>HDFC Multiple Yield Fund- Plan 2005 +^</b>	<b>26.465</b>	2.04	15.72	6.76	9.00	26,465
CRISIL MIP Blended Index <sup>1</sup>		6.79	16.83	4.41	8.25	24,476
CRISIL 1 Year T - Bill Index <sup>2</sup>		8.22	8.56	5.86	6.01	19,333

**Past performance may or may not be sustained in the future.** Returns greater than 1 year period are compounded annualised (CAGR). The above returns are of growth option. \$ Adjusted for bonus units declared under the scheme # The Scheme is co-managed by Chirag Setalvad and Miten Lathia. +The Scheme is co-managed by Chirag Setalvad (Equities) and Anil Bamboli (Debt). @Scheme performance may not strictly be comparable with that of its Additional Benchmark in view of balanced nature of the scheme where a portion of scheme's investments are made in debt instruments. ^Scheme performance may not strictly be comparable with that of its Additional Benchmark in view of hybrid nature of the scheme where a portion of scheme's investments are made in equity instruments. @@ Open Ended Equity Linked Savings Scheme with a lock-in period of 3 years. Load is not taken into consideration for computation of performance. # \* Erstwhile Morgan Stanley A.C.E. Fund, date of merger June 28, 2014 1. Benchmark 2. Additional Benchmark

# Disclaimer & Risk Factors

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

Thank You