

HDFC Mid-Cap Opportunities Fund

Fund Snapshot

Morningstar Category	India Fund Mid-Cap
Fund Size (INR bn)	780
Inception Date	6/25/2007
Annual Report Net Expense Ratio	1.51
Morningstar Rating Overall	★★★★
Manager Name	Multiple
Minimum Investment (INR)	100
Morningstar Analyst Rating	 Bronze

Manager Biography & Fund Strategy

The fund is managed by portfolio manager and head of equities, Chirag Setalvad, since its inception in June 2007. Setalvad ranks amongst the most experienced and prominent portfolio managers in the mid and small cap space. The investment team also consists of experienced managers and analysts, offering robust support. While the team did see increased turnover sometime back, the fund house proactively addressed this by replacing departing members with experienced professionals. This effort maintained the level of resources and expertise in the team.

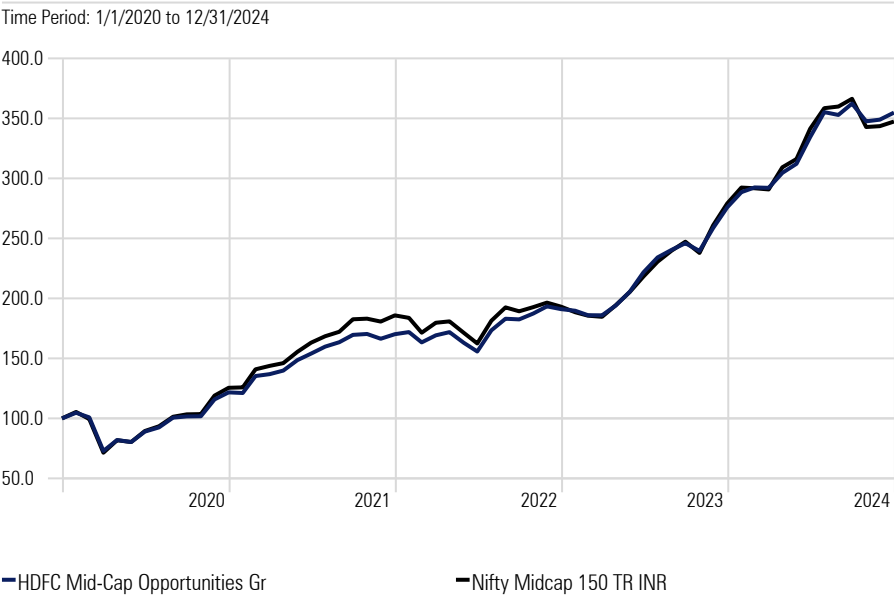
Detailed and exhaustive research is central to Setalvad’s investment approach. His investment philosophy revolves around selecting high-quality, well-established businesses. He emphasizes on understanding the niceties of a business before investing in it. He tries to identify companies with robust business models, strong competitive advantages, and clean balance sheets. Emerging/niche companies that have untested business models, or are at best simply attractive ideas, do not find favor with him.

He combines absolute and relative valuation parameters to select stocks that are not too expensive relative to their growth prospects. Setalvad adheres to a "true to the label" approach when making investments, resulting in a portfolio with a lower weighted average market capitalization compared to the category average. The portfolio construction and stock selection are largely bottom-up with not much heed being paid to the top-down factors. Setalvad is benchmark-agnostic when constructing the portfolio; and can go against the grain based on where he finds ideas that fit his selection criteria.

He constructs a reasonably diversified portfolio comprising of around 65-80 stocks, with top ten holdings constituting around 30-35% of the portfolio. The portfolio tends to have higher allocation to mid and small cap stocks compared to peers, in line with its true to label approach. While the mid cap exposure in the portfolio usually hovers in the range of 65-70%, small caps account for 15-25%. From the liquidity management perspective, the strategy has few guardrails in place in terms of exposure per company. However, the portfolio liquidity profile has deteriorated over time and that is a concern given its large size. While the portfolio’s characteristics and fundamental attributes remains intact for now, the scenario warrants a continuous and close vigil on the strategy and its execution.

Setalvad is a patient investor plying a long-term buy and hold approach. The portfolio construction aligns with the investment approach with which Setalvad has traditionally managed the fund. Overall, the strategy has been consistently applied and executed well.

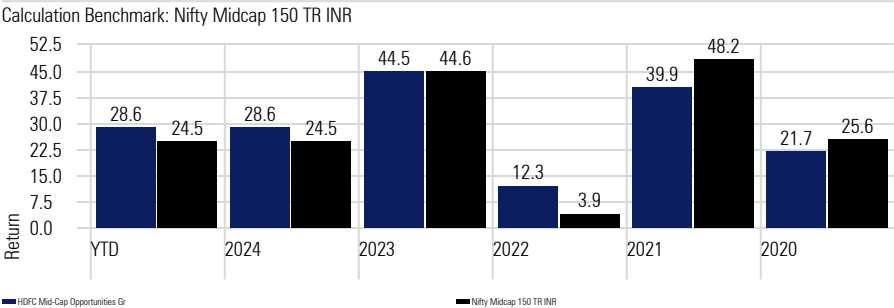
Investment Growth



Trailing Returns








Data Point: Return	Calculation Benchmark: Nifty Midcap 150 TR INR	YTD	1 Year	3 Years	5 Years	10 Years
HDFC Mid-Cap Opportunities Gr		28.62	28.62	27.78	28.87	18.10
Nifty Midcap 150 TR INR		24.46	24.46	23.21	28.32	18.73

Calendar Year Returns



Top Holdings

Portfolio Date: 12/31/2024

	Equity Style Box	Position Market Value	Portfolio Weighting %
Indian Hotels Co Ltd		34,347.02	4.41
Coforge Ltd		29,028.66	3.72
Max Financial Services Ltd		27,562.45	3.54
Ipca Laboratories Ltd		26,787.37	3.44
The Federal Bank Ltd		25,367.54	3.25
Balkrishna Industries Ltd		23,795.50	3.05
Persistent Systems Ltd		23,200.81	2.98
Apollo Tyres Ltd		22,177.72	2.84
Hindustan Petroleum Corp Ltd		21,849.76	2.80
Indian Bank		19,406.52	2.49

Equity Sectors

