

HDFC Small Cap Fund

Fund Snapshot

Morningstar Category	India Fund Small-Cap
Fund Size (INR bn)	312
Inception Date	4/3/2008
Annual Report Net Expense Ratio	1.64
Morningstar Rating Overall	★★★
Manager Name	Multiple
Minimum Investment (INR)	100
Morningstar Analyst Rating	 Bronze

Manager Biography & Fund Strategy

Portfolio manager and head of equities, Chirag Setalvad, distinguishes himself as a skilled manager with over two decades of experience in portfolio management and research. He ranks amongst the most experienced and prominent portfolio managers in the mid and small cap space. The investment team also comprises of very experienced managers and analysts, providing him strong support.

Setalvad's investment philosophy revolves around selecting high-quality, well-established businesses. He tries to identify companies with robust business models, strong competitive advantages, and clean balance sheets. He typically looks for companies that can generate reasonable free cash flows and have high ROEs. He combines absolute and relative valuation parameters to select stocks that aren't too expensive relative to their growth prospects. Broadly speaking, the investment style can be characterized as growth at reasonable price.

Setalvad prefers true to the label approach while investing. Hence the fund has higher than average small cap exposure, which typically ranges between 75-85%. Also, the fund's weighted average market capitalization tends to be lower compared to category average. As a result, the portfolio tends to be relatively less liquid compared to most of its category peers, which is a cause for concern and needs to be watched closely.

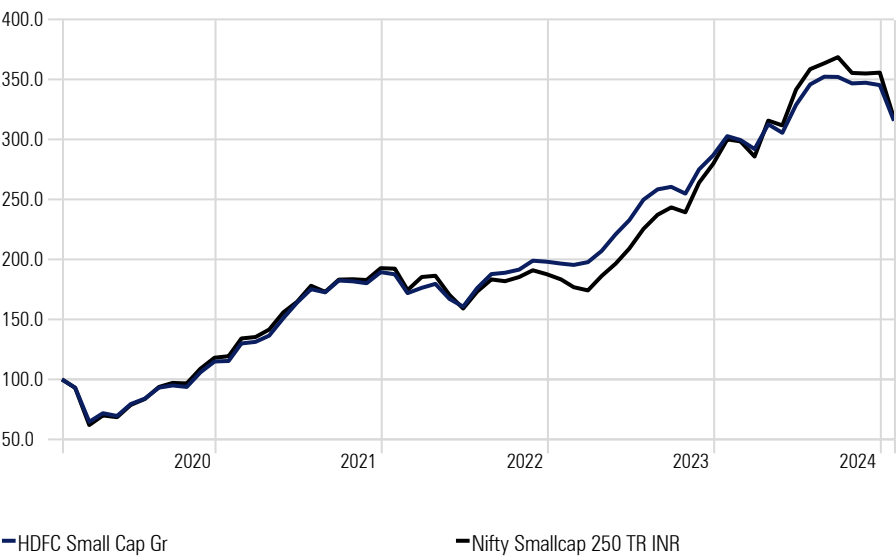
The portfolio construction and stock selection are bottom-up. Setalvad is benchmark-agnostic when constructing the portfolio; and can go against the grain based on where he finds ideas that fit his selection criteria. He constructs a reasonably diversified portfolio with meaningful representation in his high conviction bets, but without going overboard in them. In the recent times the number of stocks in the portfolio have increased to 80-90 compared with the range of 70-80 stocks earlier. However, the top ten holdings continue to hover in the range of 30-35% of the portfolio.

Setalvad is a patient investor with a long-term investment horizon. The fund's performance has also been impressive over the long-term.

Source: Morningstar Direct

Investment Growth

Time Period: 2/1/2020 to 1/31/2025



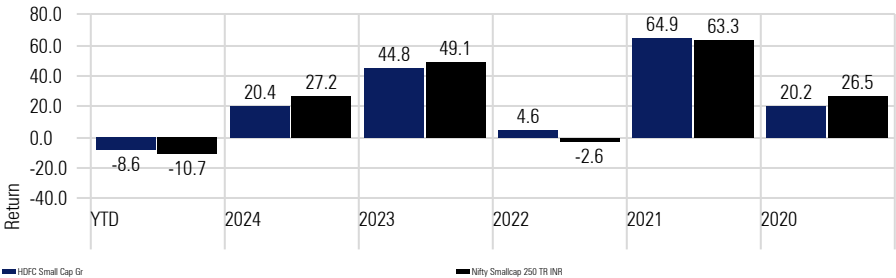
Trailing Returns

Data Point: Return Calculation Benchmark: Nifty Smallcap 250 TR INR

	YTD	1 Year	3 Years	5 Years	10 Years
HDFC Small Cap Gr	-8.61	4.24	18.95	25.88	17.25
Nifty Smallcap 250 TR INR	-10.69	5.89	18.23	26.04	14.85

Calendar Year Returns

Calculation Benchmark: Nifty Smallcap 250 TR INR



Top Holdings

Portfolio Date: 1/31/2025

	Equity Style Box	Position Market Value	Portfolio Weighting %
Firstsource Solutions Ltd		18,522.68	5.93
Aster DM Healthcare Ltd Ordinary Shares		11,957.77	3.83
eClerx Services Ltd		11,422.48	3.66
Bank of Baroda		9,992.80	3.20
Fortis Healthcare Ltd		7,972.59	2.55
Sonata Software Ltd		7,814.11	2.50
Eris Lifesciences Ltd Registered Shs		7,282.42	2.33
Krishna Institute of Medical Sciences Ltd		6,970.53	2.23
Sudarshan Chemical Industries Ltd		5,730.26	1.83
Gabriel India Ltd		5,551.79	1.78

Equity Sectors

Portfolio Date: 1/31/2025

