

HDFC Small Cap Fund

Fund Snapshot

Morningstar Category	India Fund Small-Cap
Fund Size (INR bn)	380
Inception Date	1/1/2013
Annual Report Net Expense Ratio	0.70
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 with 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.

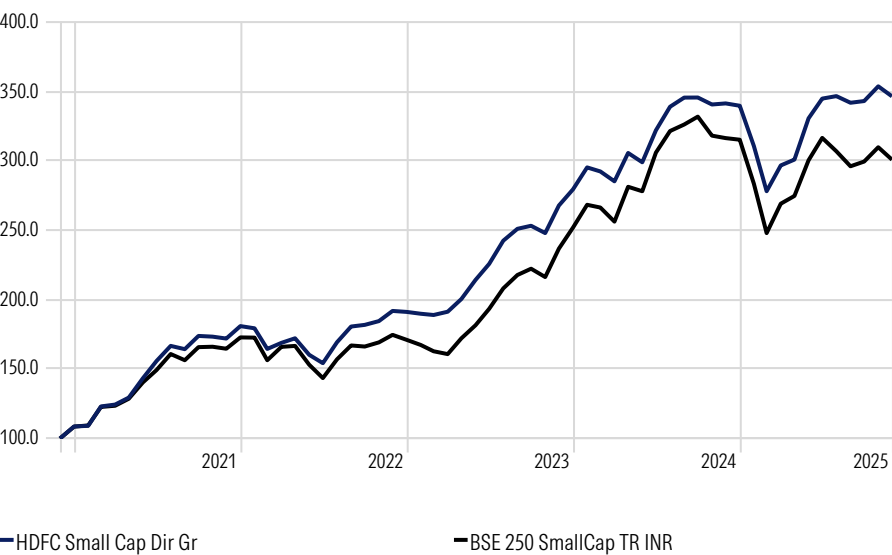
Setalvad prefers true to the label approach while investing. Hence the fund has higher than average small cap exposure, which typically ranges between 75-85%. Also, the fund's weighted average market capitalization tends to be lower compared to category average. As a result, the portfolio tends to be 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.

Investment Growth

Time Period: 12/1/2020 to 11/30/2025



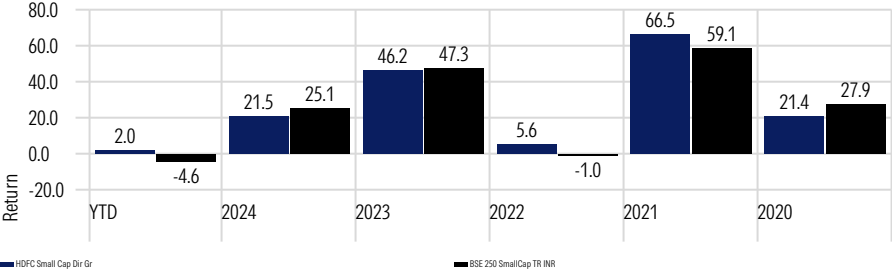
Trailing Returns

Data Point: Return Calculation Benchmark: BSE 250 SmallCap TR INR

	YTD	1 Year	3 Years	5 Years	10 Years
HDFC Small Cap Dir Gr	2.00	1.50	21.76	28.20	19.30
BSE 250 SmallCap TR INR	-4.55	-4.90	19.87	24.63	15.03

Calendar Year Returns

Calculation Benchmark: BSE 250 SmallCap TR INR



Top Holdings

Portfolio Date: 11/30/2025

	Equity Style Box	Position Market Value	Portfolio Weighting %
Firstsource Solutions Ltd		19,110.42	5.03
Aster DM Healthcare Ltd Ordinary Shares		15,922.31	4.19
eClerx Services Ltd		14,977.46	3.94
Bank of Baroda		13,570.98	3.57
Eris Lifesciences Ltd Registered Shs		10,341.54	2.72
Gabriel India Ltd		9,565.24	2.52
Fortis Healthcare Ltd		8,676.43	2.28
Indian Bank		8,431.09	2.22
Krishna Institute of Medical Sciences Ltd		7,623.22	2.01
Sonata Software Ltd		6,923.27	1.82

Equity Sectors

Portfolio Date: 11/30/2025

