

HDFC Mid Cap Fund

Fund Snapshot

Morningstar Category	India Fund Mid-Cap
Fund Size (INR bn)	1,019
Inception Date	1/1/2013
Annual Report Net Expense Ratio	0.74
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 is large, well-resourced and comprises of experienced managers and analysts, offering robust support.

Detailed and exhaustive research is central to Setalvad's investment approach. His investment philosophy revolves around selecting high-quality, well-established businesses. He emphasizes 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.

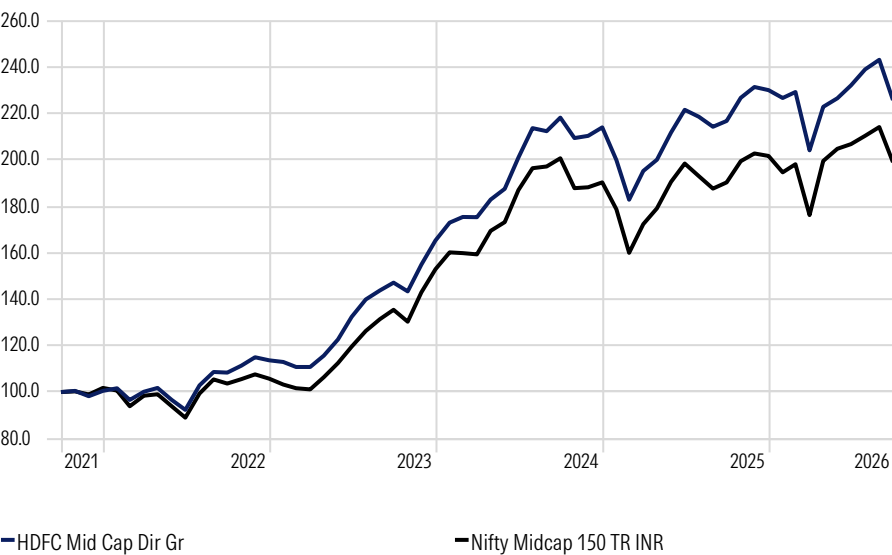
He combines absolute and relative valuation parameters to select stocks that are not too expensive relative to their growth prospects. Setalvad adheres to a "true to the label" approach when making investments, resulting in a portfolio with a lower weighted average market capitalization compared to the 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. Notwithstanding fund's near-term struggle with performance, Its long term track record is noteworthy.

Investment Growth

Time Period: 10/1/2021 to 9/30/2026



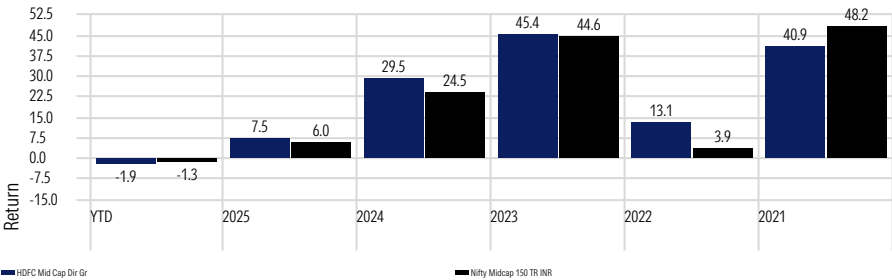
Trailing Returns

Data Point: Return Calculation Benchmark: Nifty Midcap 150 TR INR

	YTD	1 Year	3 Years	5 Years	10 Years
HDFC Mid Cap Dir Gr	-1.85	4.16	15.35	17.69	16.79
Nifty Midcap 150 TR INR	-1.33	4.57	13.69	14.76	16.56

Calendar Year Returns

Calculation Benchmark: Nifty Midcap 150 TR INR



Top Holdings

Portfolio Date: 9/30/2026

	Equity Style Box	Position Market Value	Portfolio Weighting %
The Federal Bank Ltd		40,571.66	3.98
AU Small Finance Bank Ltd		40,146.64	3.94
Max Financial Services Ltd		35,865.29	3.52
Ipca Laboratories Ltd		34,957.05	3.43
Glenmark Pharmaceuticals Ltd		31,304.09	3.07
Balkrishna Industries Ltd		30,360.43	2.98
Indian Bank		29,701.03	2.92
Coforge Ltd		27,321.99	2.68
Fortis Healthcare Ltd		24,410.43	2.40
Marico Ltd		24,111.66	2.37

Equity Sectors

Portfolio Date: 9/30/2026

