



HDFC Nifty India Digital Index Fund

Power your portfolio with the Trillion* Dollar digital opportunity!

NFO Period: November 22nd - December 6th, 2024

The companies displayed above form part of the constituents of the Nifty India Digital Index (TRI) as on October 31, 2024. *Refer slide 05
For disclaimers refer slide 35

Increasing Tech Intensity

A Secular Trend

Before

After

Banking



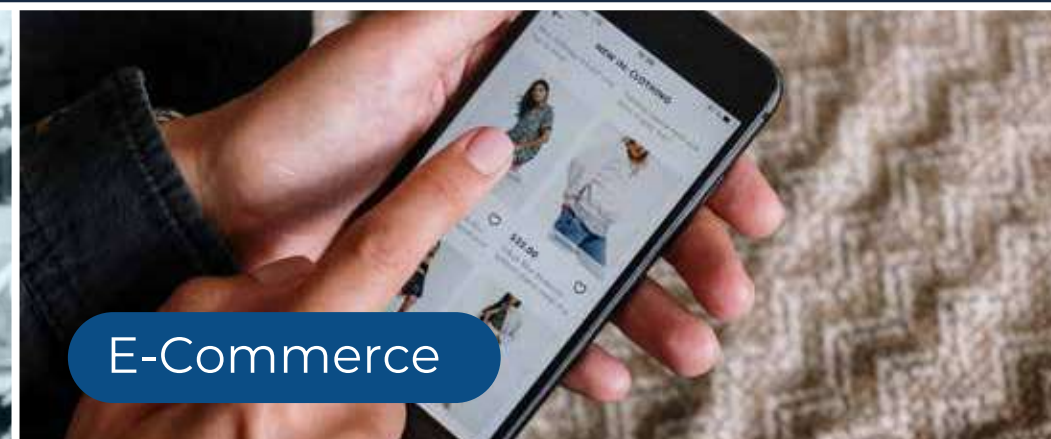
Before

After

Payments



Retail



Education



Capital Markets



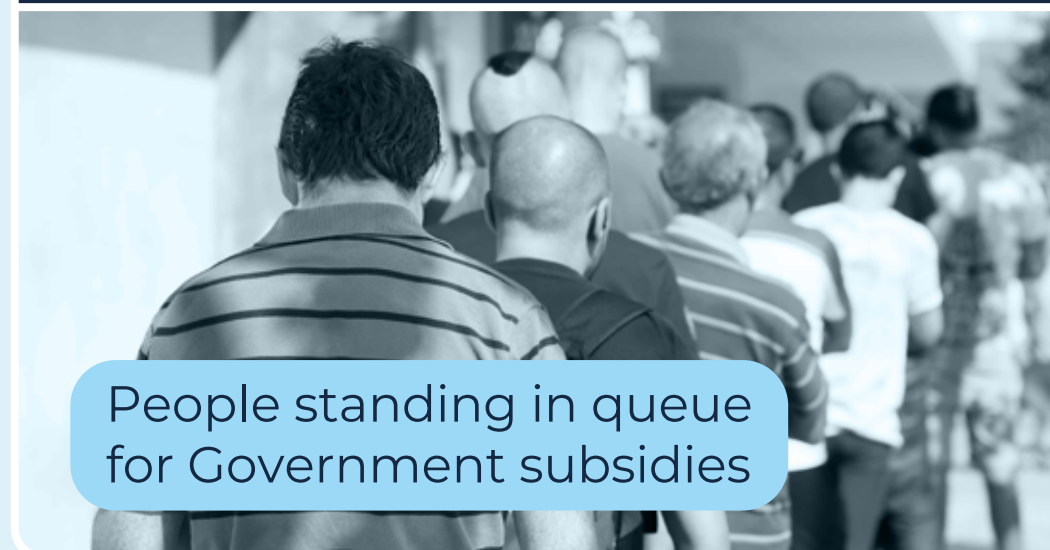
Manufacturing



Before

After

Government



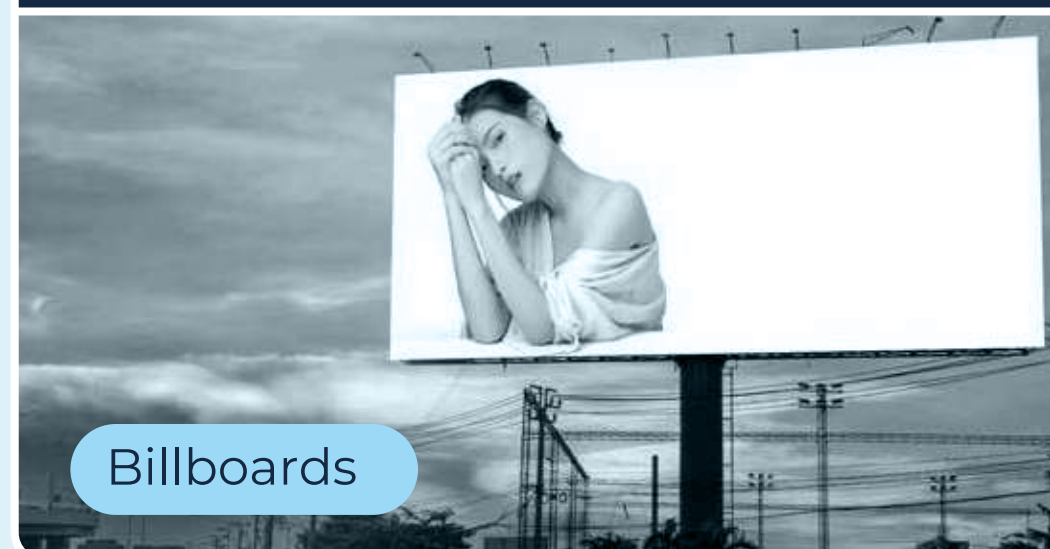
Before

After

Healthcare



Advertising

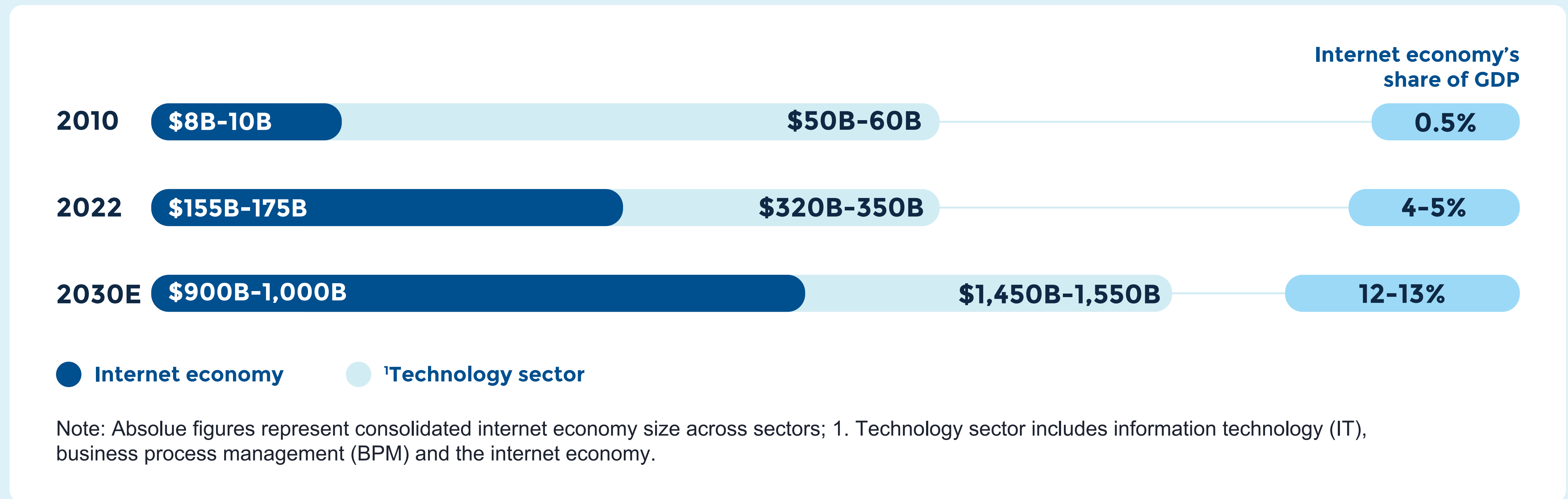


Meetings



Digital economy growth expected to outpace GDP growth

	Growth over 2022-2030E
India's technology sector	4.5x
GDP	2.1x



Source: Google, Temasek and Bain, India e-Conomy Report 2023, GDP growth estimates from S&P Global Intelligence, E = Estimates

Indian Digital Landscape: What does it offer?

India's new age companies leveraged to domestic consumption

Local drivers

- Beneficiaries of
 - ✓ Increasing digitization and formalization of the economy
 - ✓ Rising per capita income
 - ✓ Increased premiumization
 - ✓ Favorable demographics
- Gain exposure to India's digital leaders across B2C and B2B channels

India's IT Services champions leveraged to AI and global tech spending

Global drivers

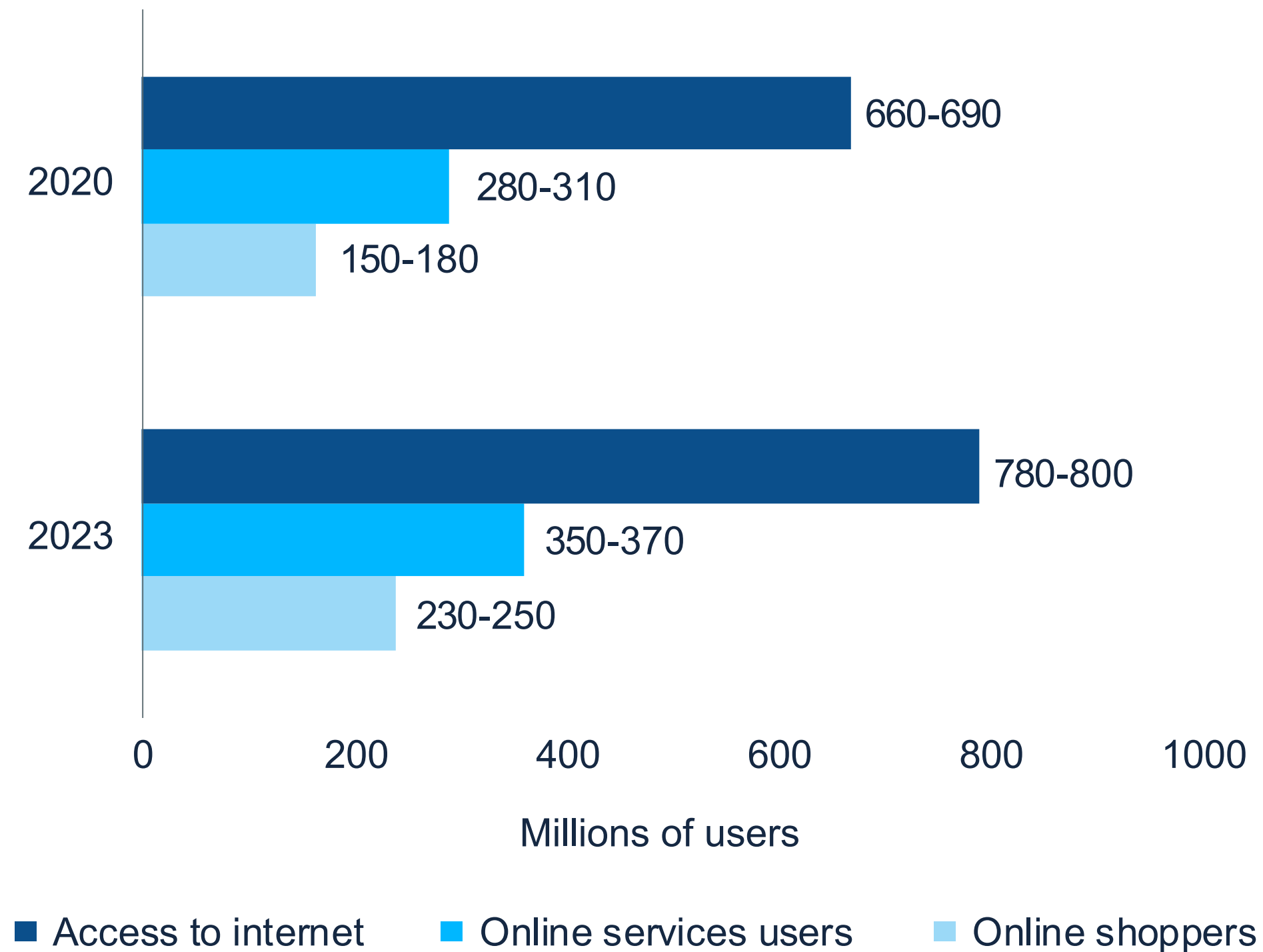
- IT exports have consistently outgrown global spending
- Global exposure - Americas and Europe dominate Indian IT firms' revenue
- India among the best in tech talent availability
- Gain exposure to India's IT Services champions

Digitalization in India

Long Runway for Growth

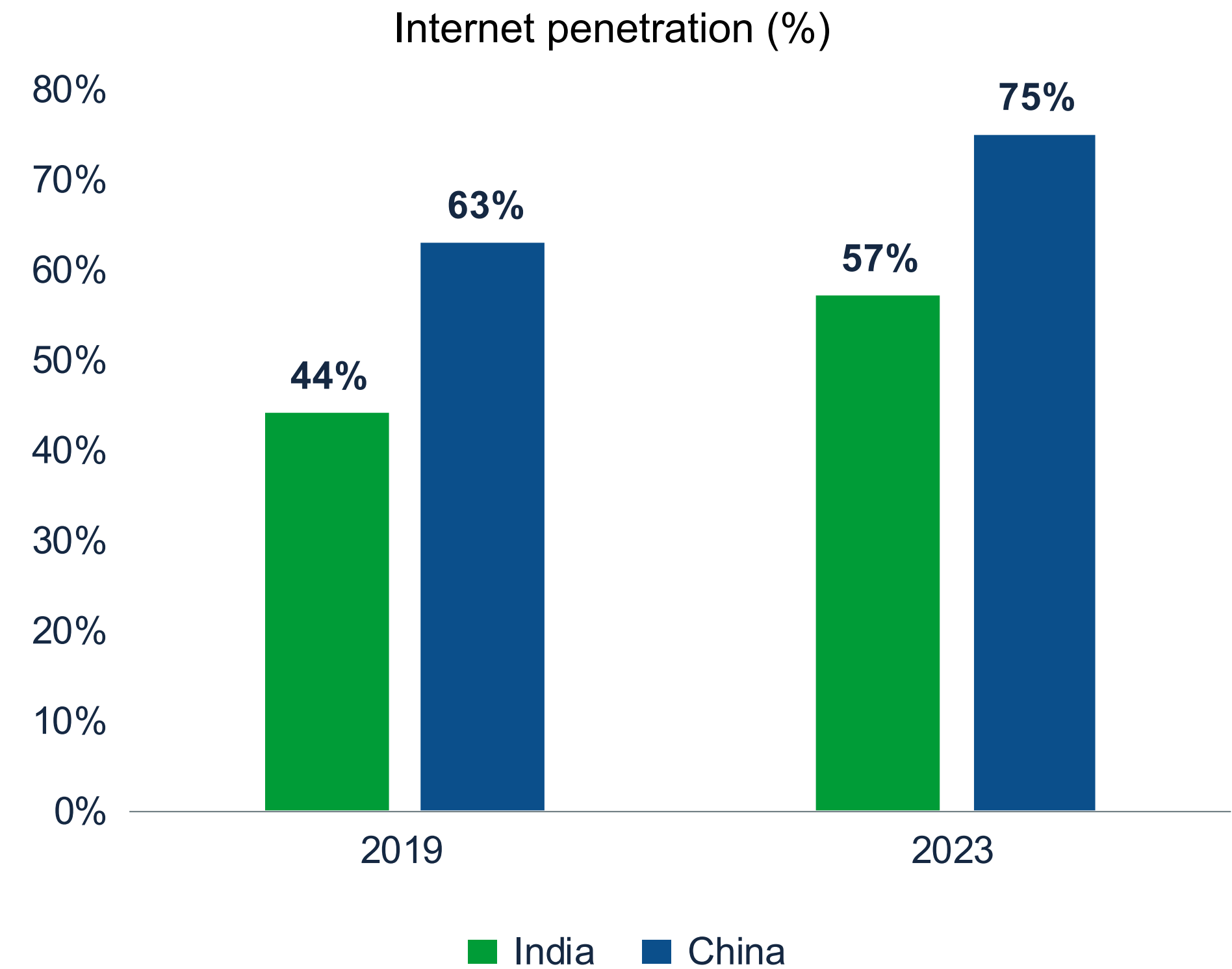
Increasing Internet and Smartphone penetration to create next generation of online commerce users

A large section of people with access to internet are still untapped by online businesses



Source: Kotak Institutional Equities

India's internet penetration has a long way to go

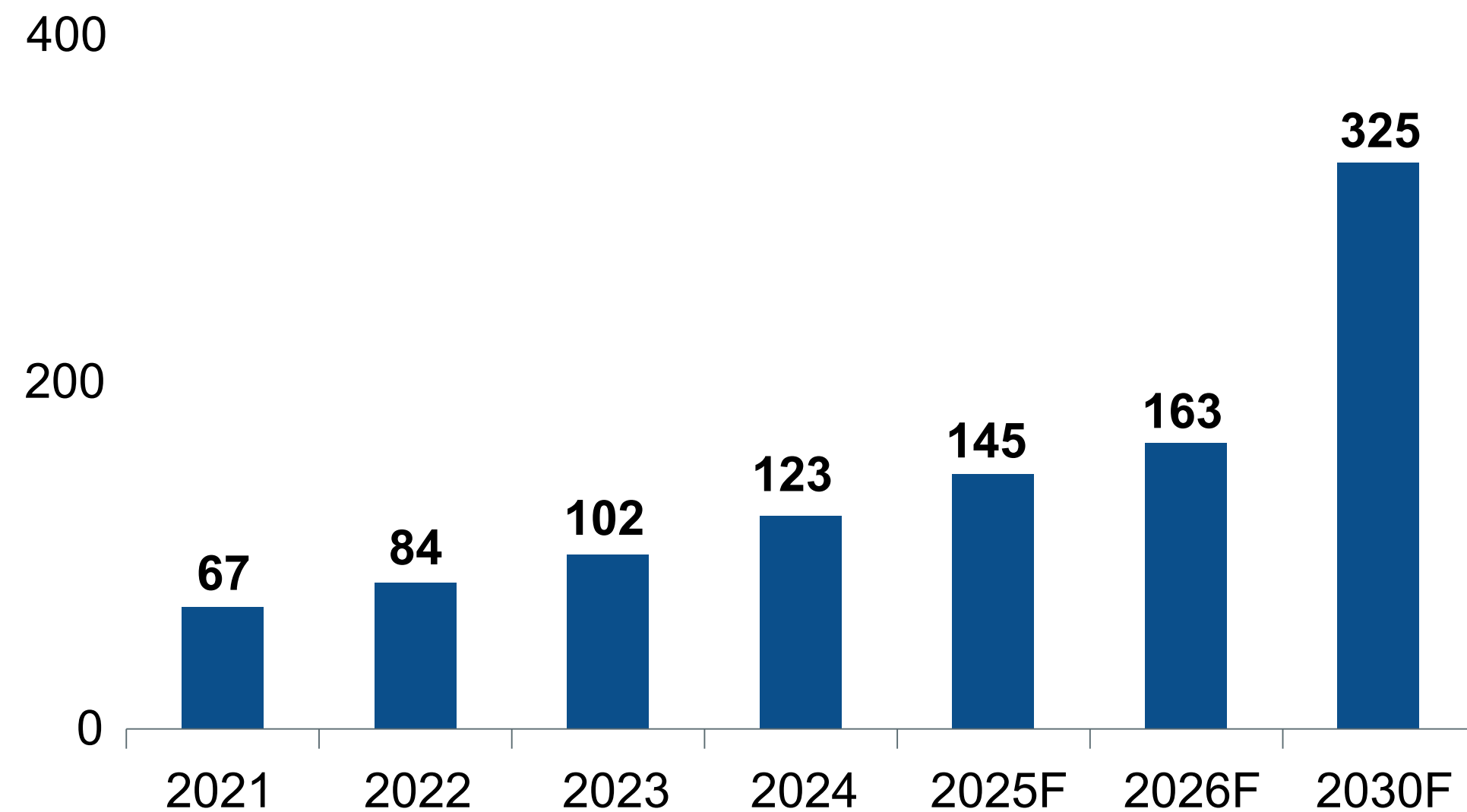


Source: Kotak Institutional Equities

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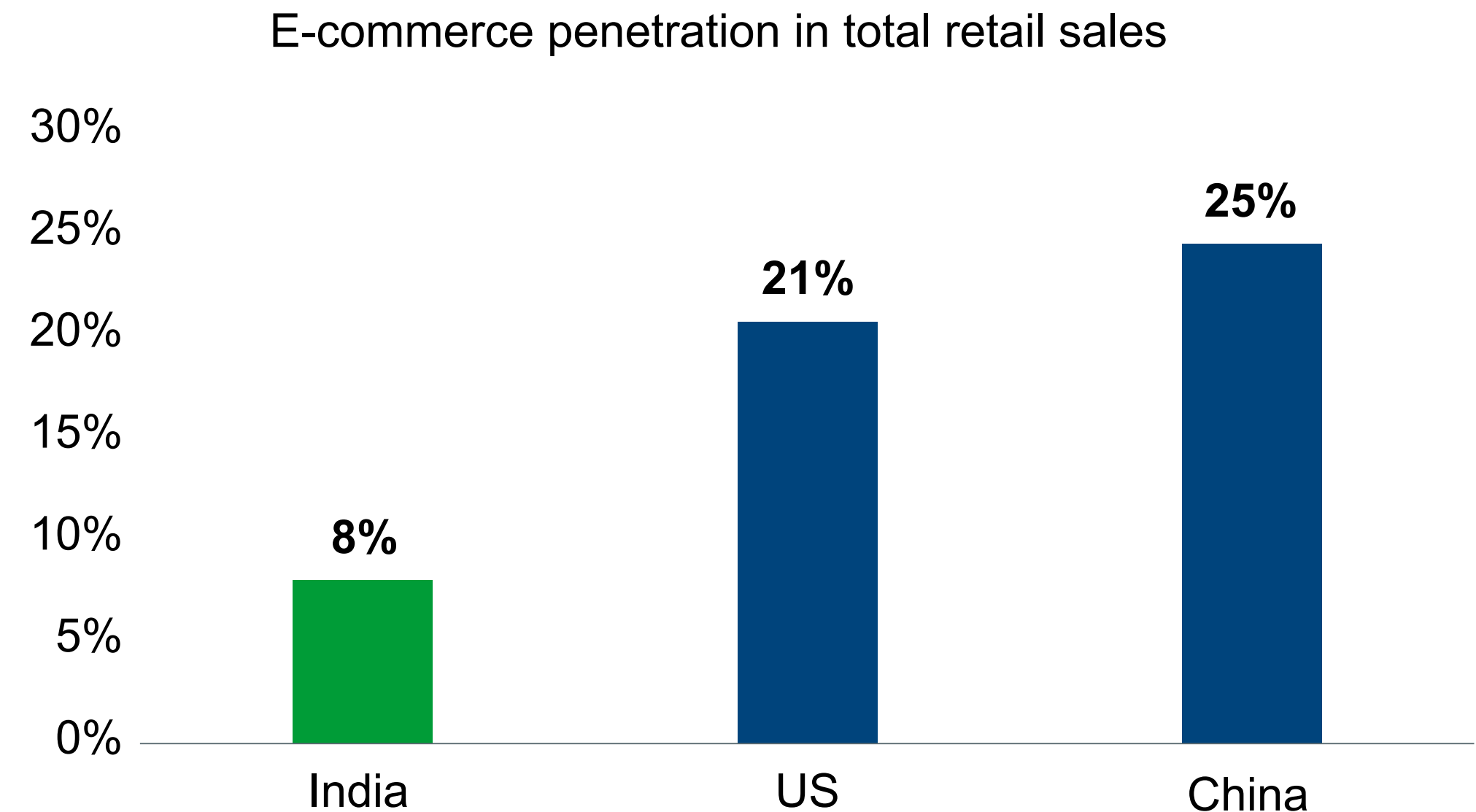
E-commerce boom to continue with long runway ahead

Indian E-commerce Market (US\$ billion)



Source: IBEF. F = Forecast

E-commerce is now >20% of total retail sales in US and China



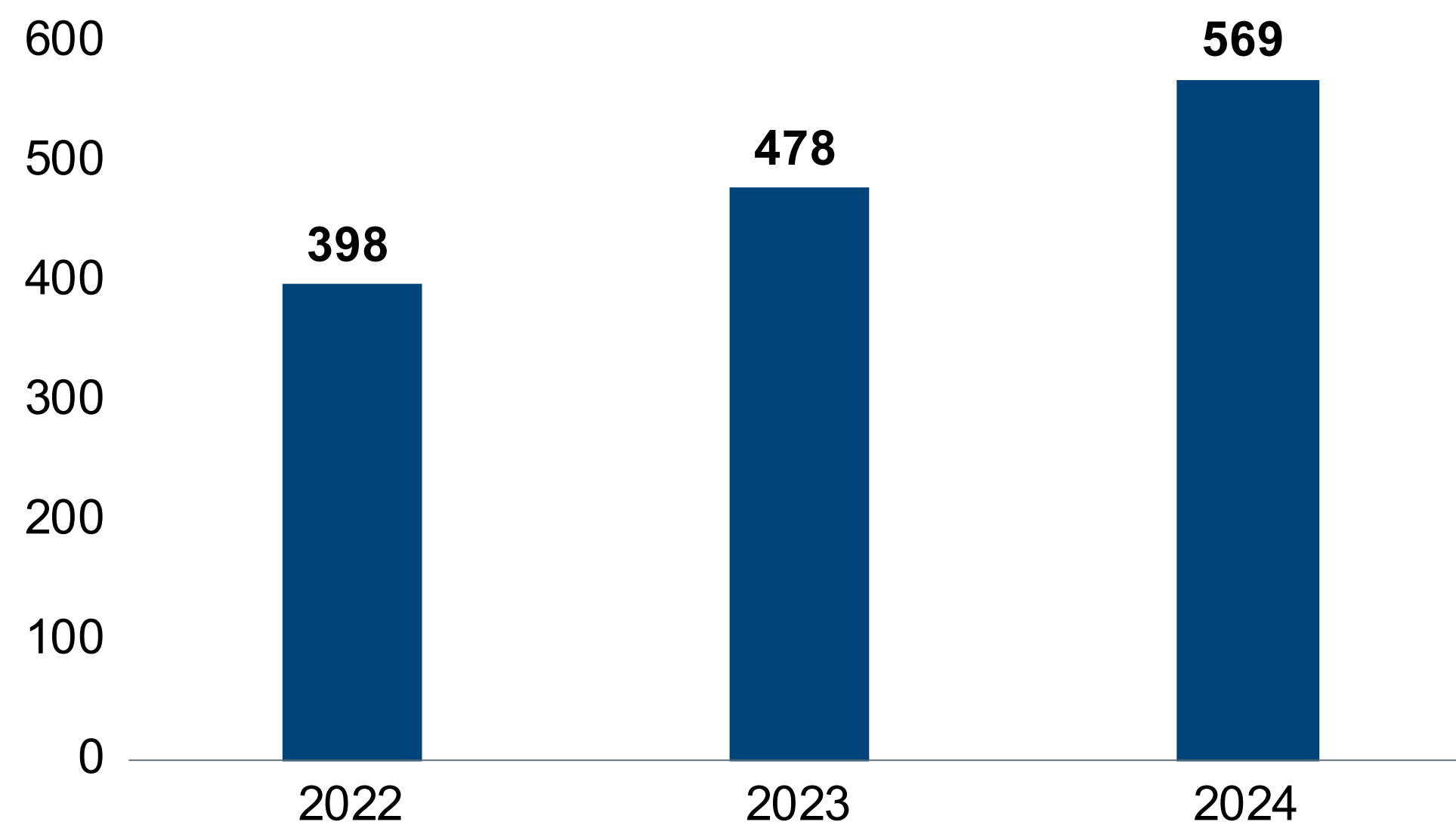
Source: Digital Commerce 360 analysis of U.S. Department of Commerce data, The state council People's Republic of China

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Food and Quick Commerce delivery at an inflection point

Food delivery business has been growing steadily

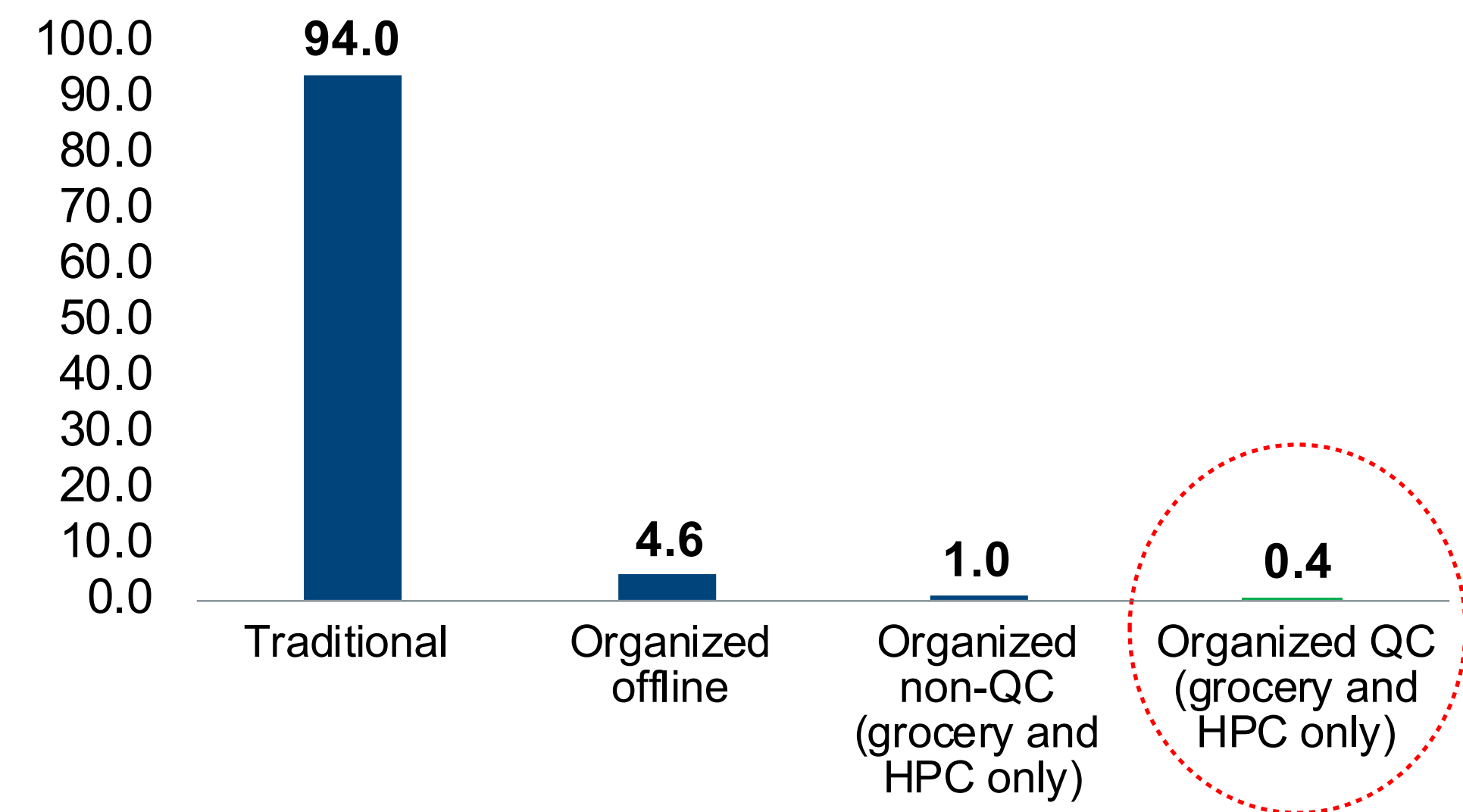
Food delivery business GMV (Rs bn)



Source: Kotak Institutional Equities.
GMV = Gross Merchandise Value

Quick Commerce still has ample room for growth

Share of total food & grocery market (%)

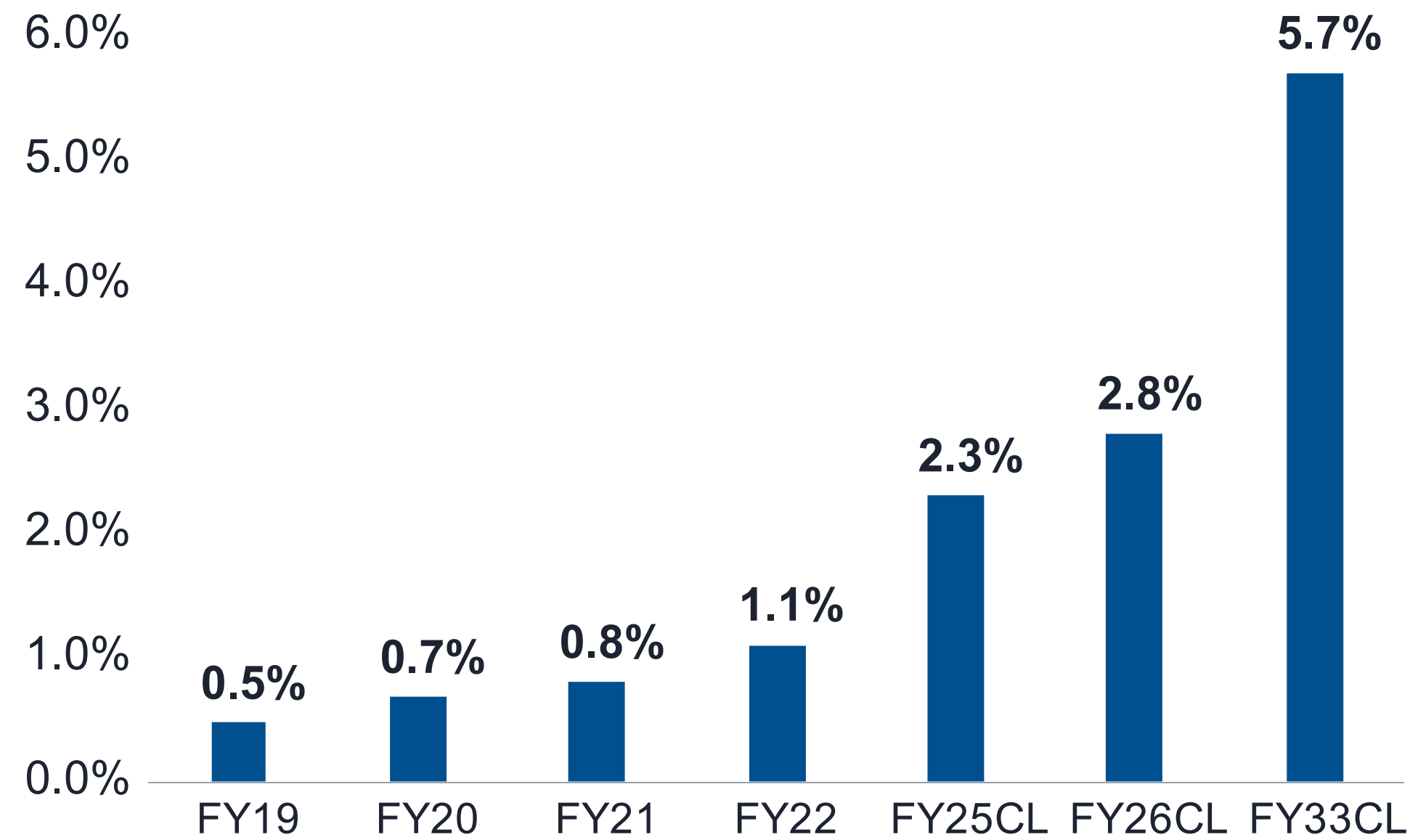


Source: Kotak Institutional Equities.
QC = Quick Commerce. HPC = Household & Personal Care

InsurTech & digital lending to grow as India's digitized payments infrastructure expands

Share of digital insurance premia to rise

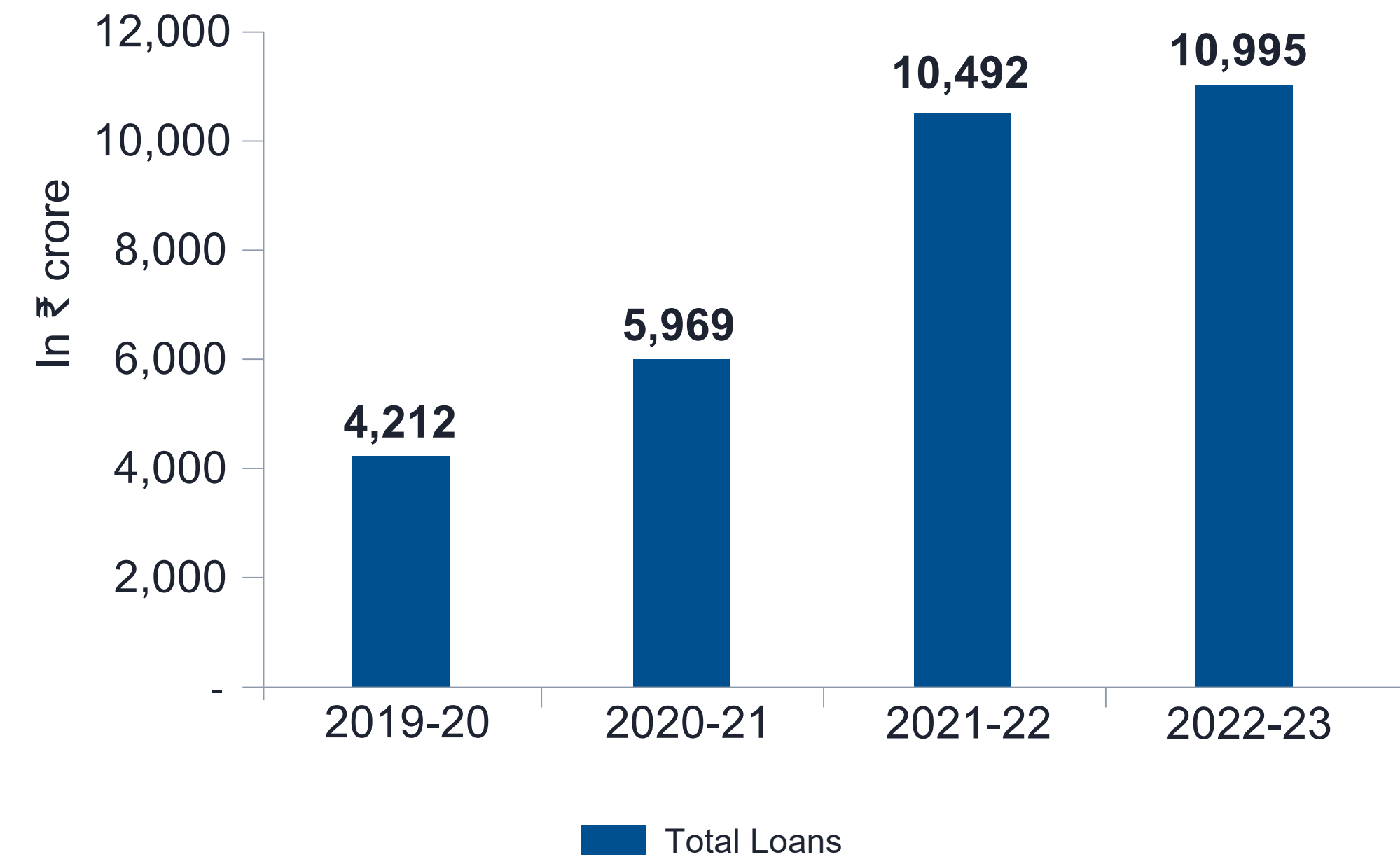
Digital premium as % of total industry premiums



Source: CLSA. CL = CLSA estimates

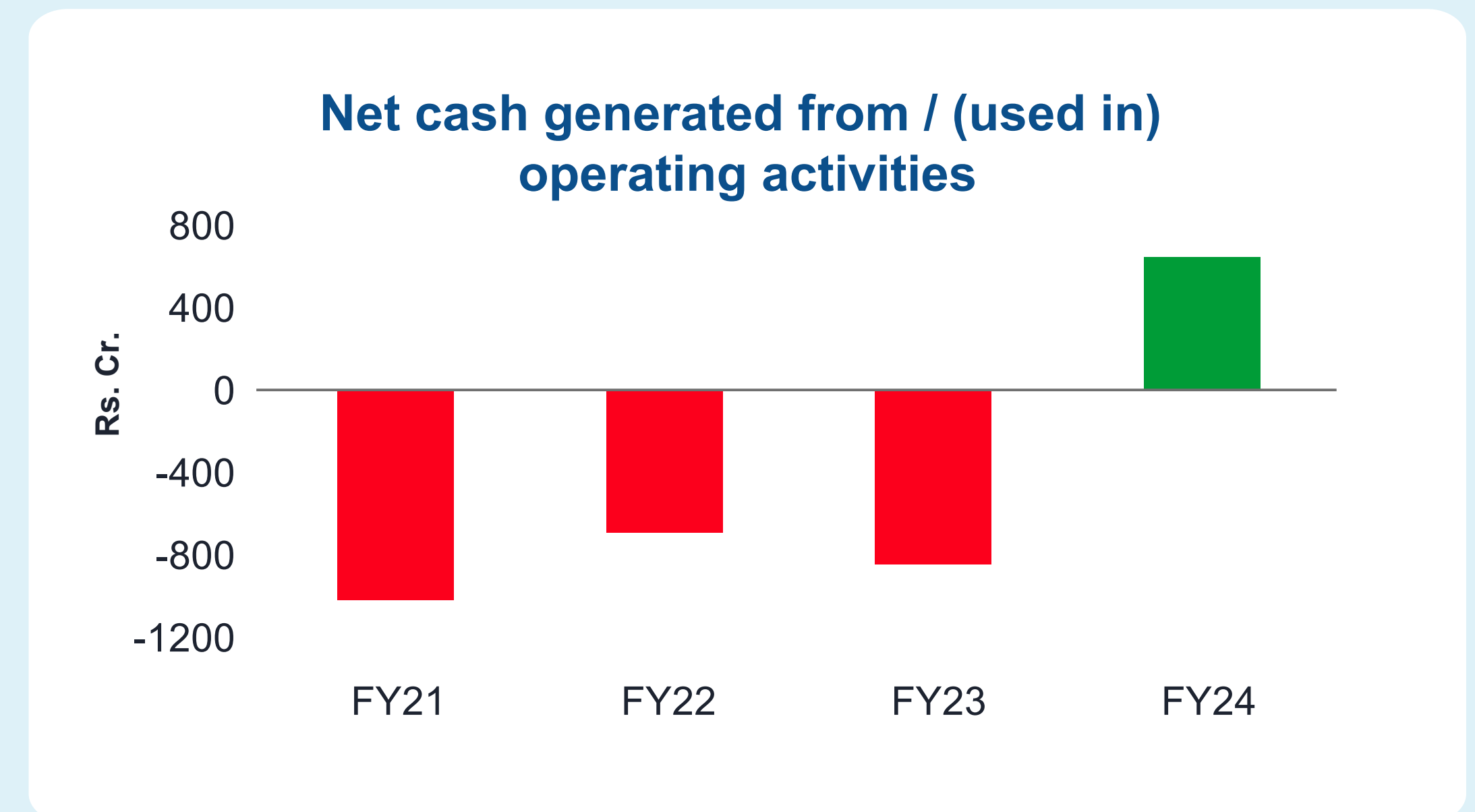
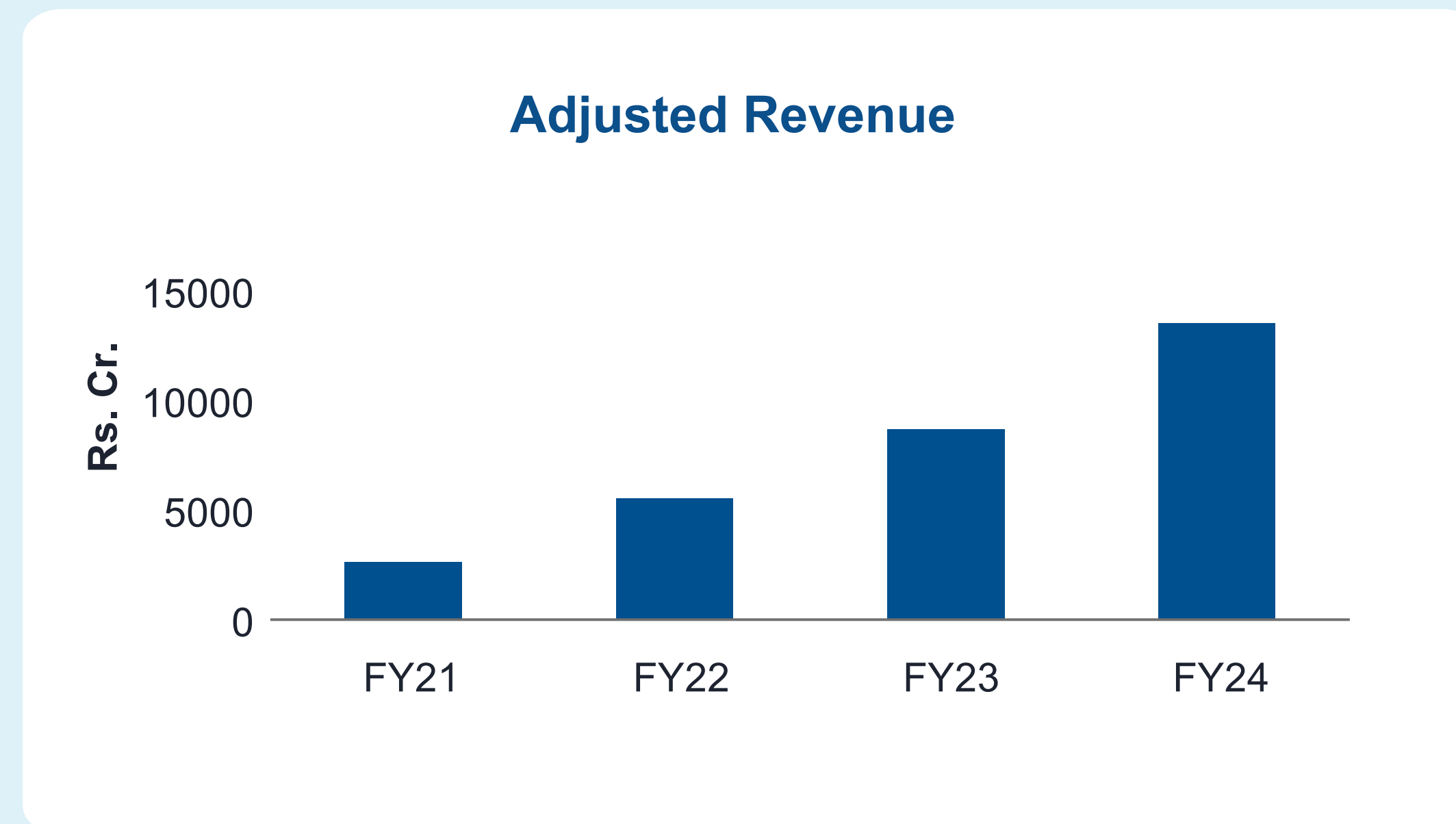
Digital lending has increased rapidly

Lending by FinTechs Registered as NBFC-ICCs



Source: RBI. NBFC-ICC is Non-Banking Financial Corporation Investment Credit Company

Leading listed player in Food Delivery and Quick Commerce segment

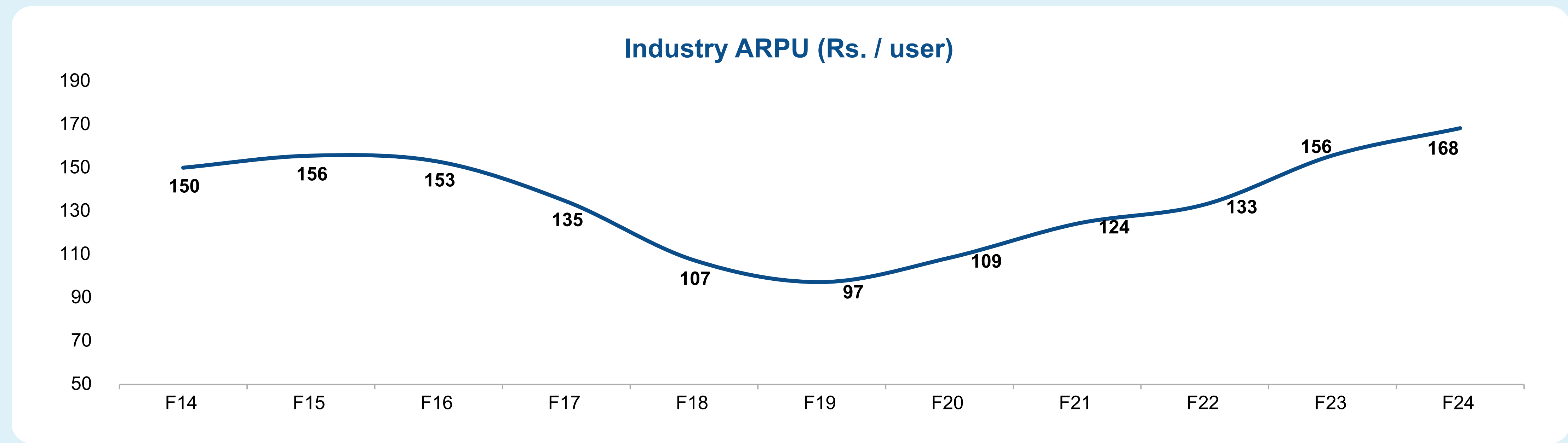


Source: Company Annual Report

Several new age companies have placed renewed focus on profitability and aimed to reduce cash burn

Telecom: Rising ARPU post sector consolidation

	FY14	FY24
Number of Telecom Players in India	13	4



Source: BofA Global Research

Average Revenue Per User (ARPU) has risen across the industry as the number of players reduced

For disclaimers refer slide 35

IT Services

Primed to Benefit from
Increase in Tech Spends

From humble beginnings, the IT sector is now a vital pillar of the economy

EXPORTS

In FY2024, Indian IT sector exports totaled \$199bn

EMPLOYMENT

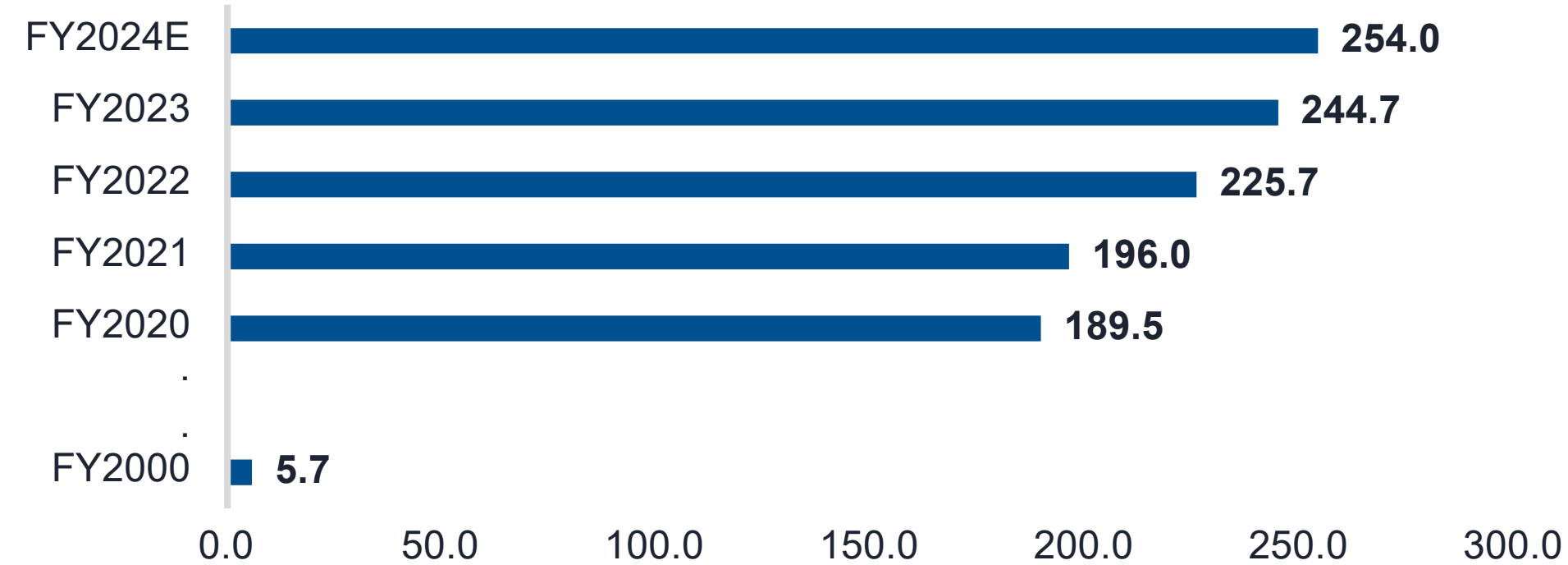
IT sector has a total employee base of 5.43 million people

INNOVATION

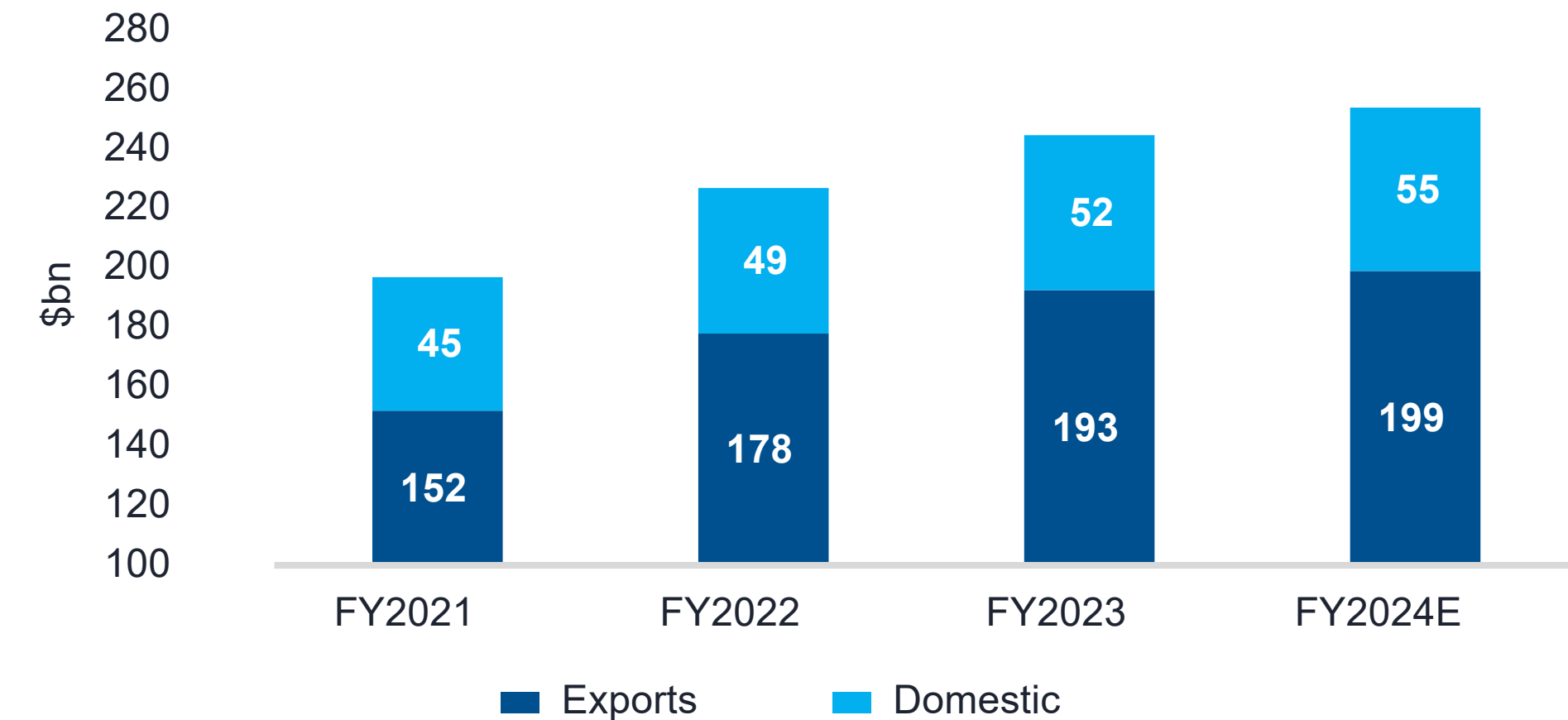
650,000 employees are being trained in generative AI skills

IT Industry revenue has grown steadily

Indian IT Industry Revenue (\$ billion)



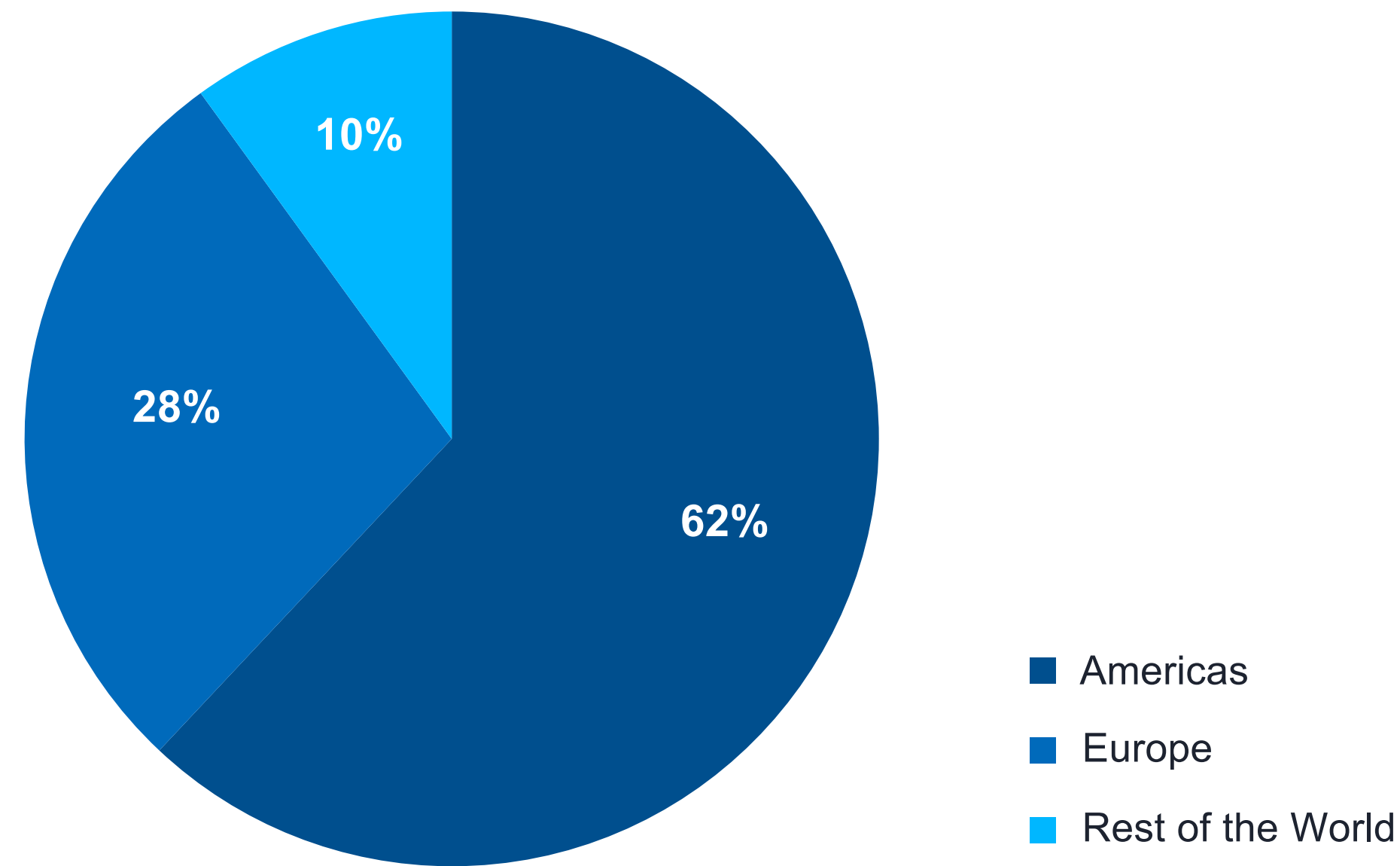
Exports continue to exceed domestic revenue



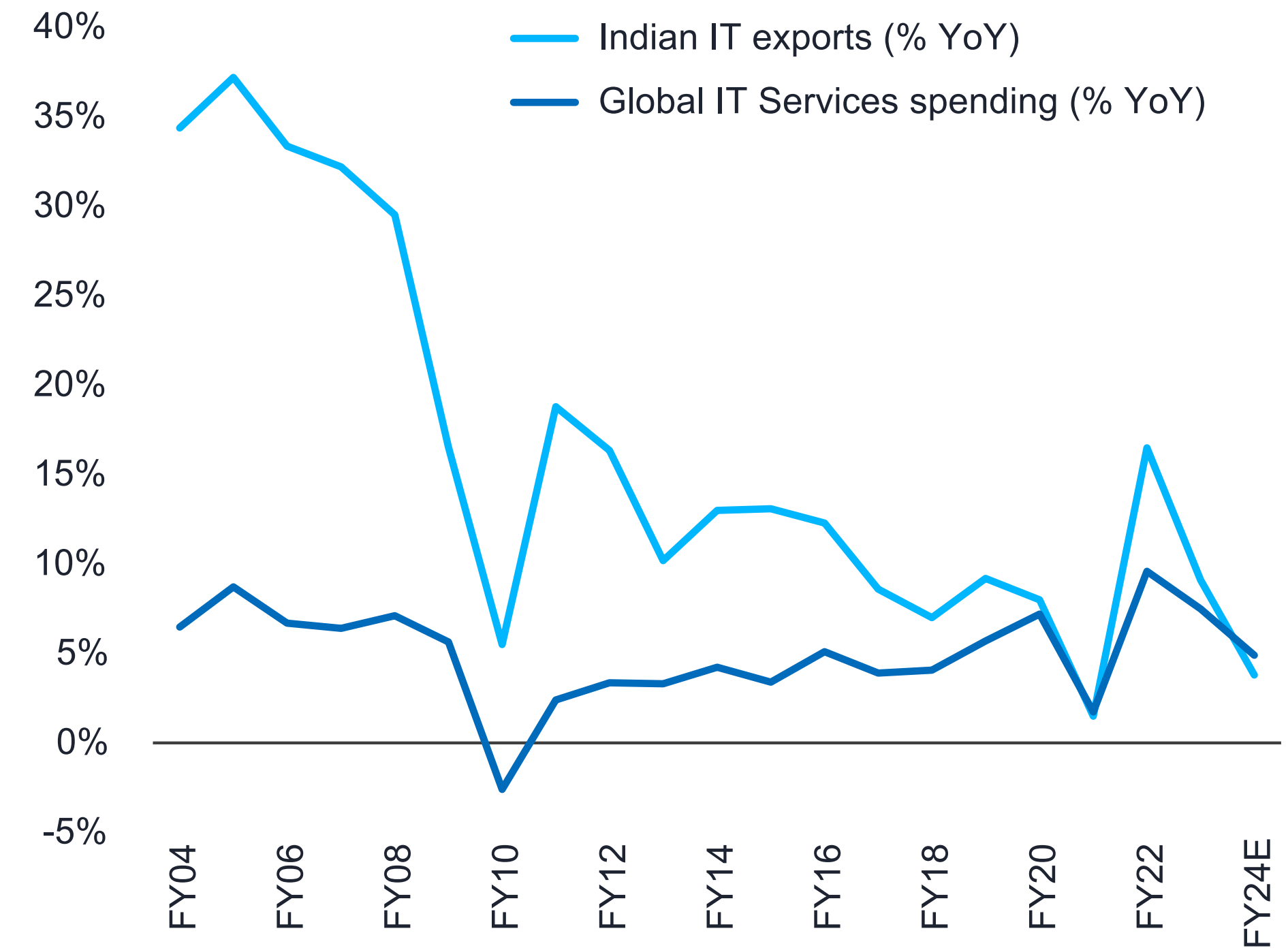
Source: NASSCOM, internal calculations, E = Estimates

Exports of India's global facing IT companies have consistently outgrown global spending

Geographic Breakup of IT Revenues (%) - FY24

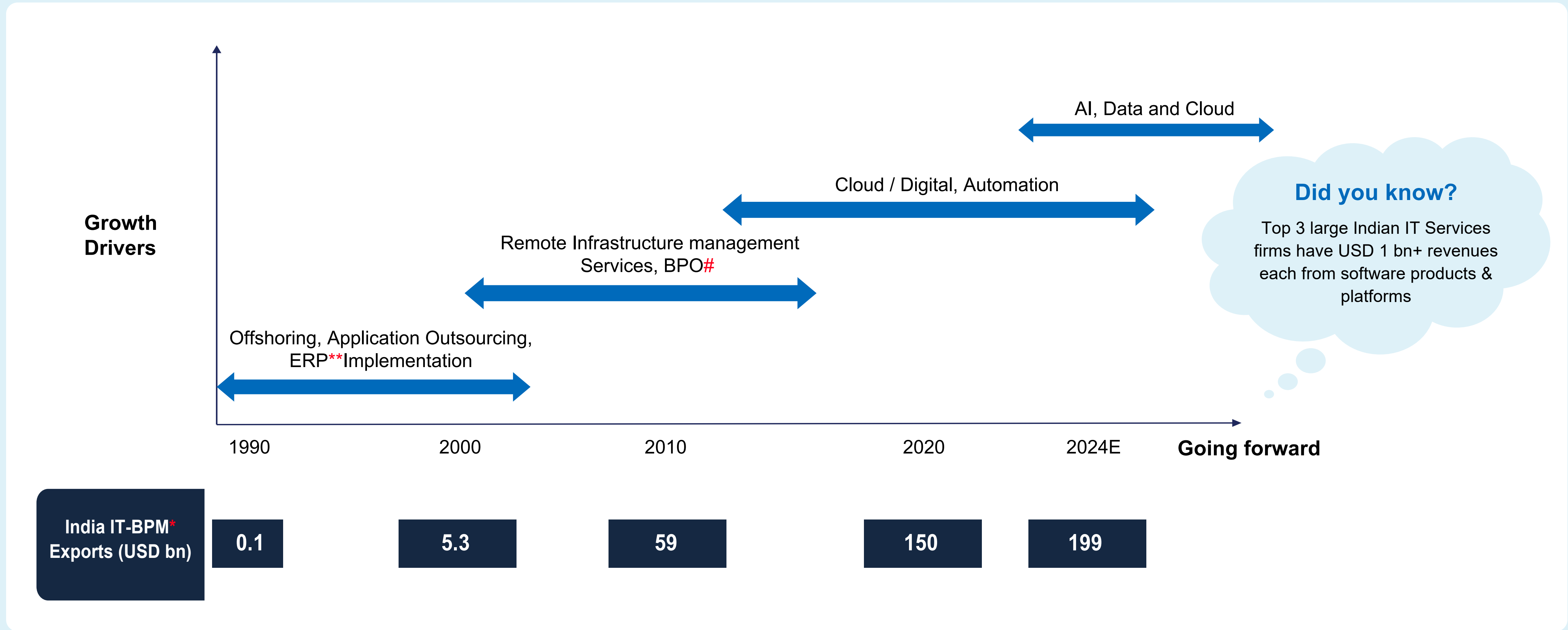


Source: Bloomberg, NASSCOM



Source: Gartner, NASSCOM, E = Estimates

Indian IT has evolved stronger through Technology Cycles



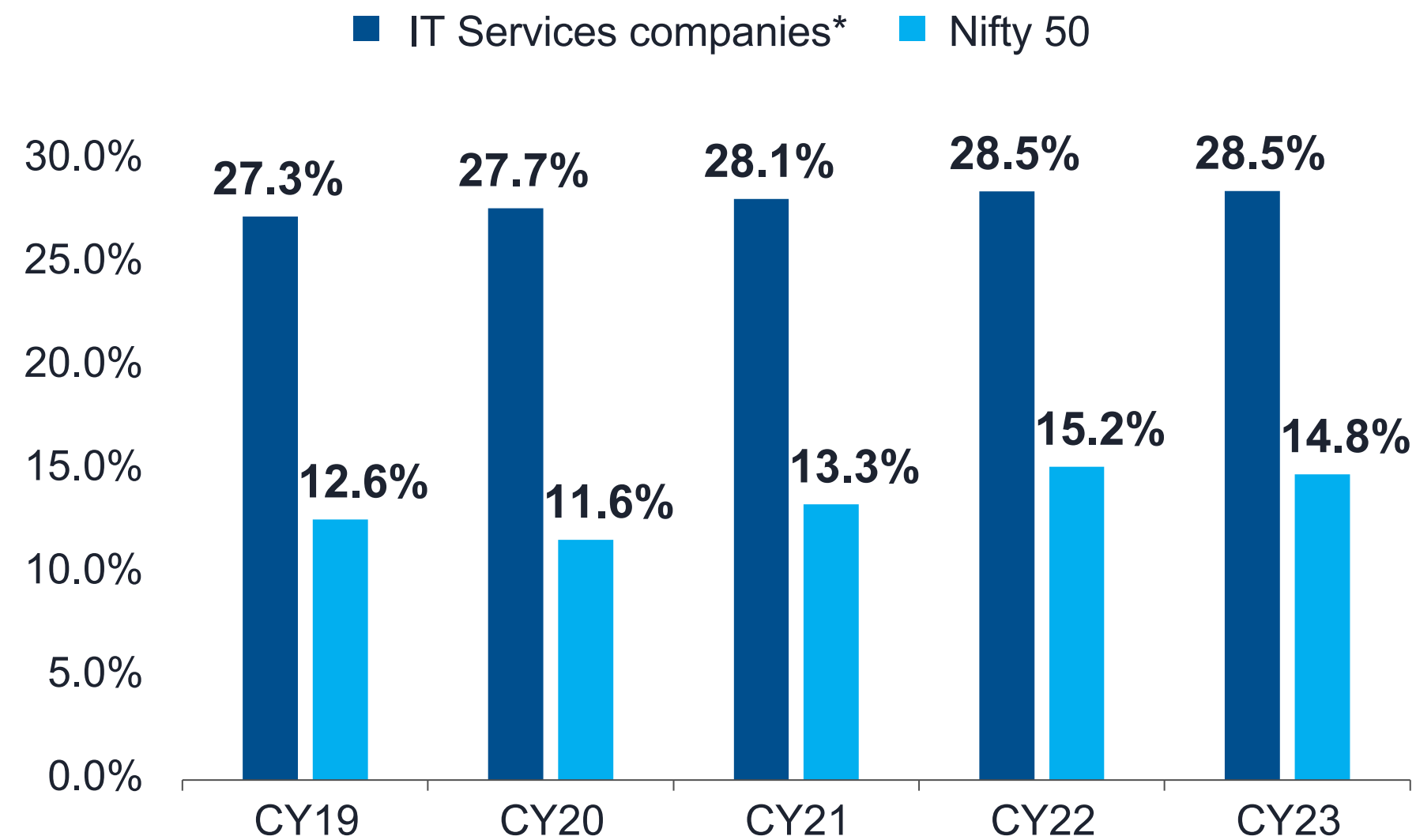
Source: NASSCOM, Industry and company annual reports *BPM: Business Process Management, **ERP: Enterprise Resource Planning, #BPO: Business Process Outsourcing
E = Estimates

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Indian IT services companies have strong fundamentals

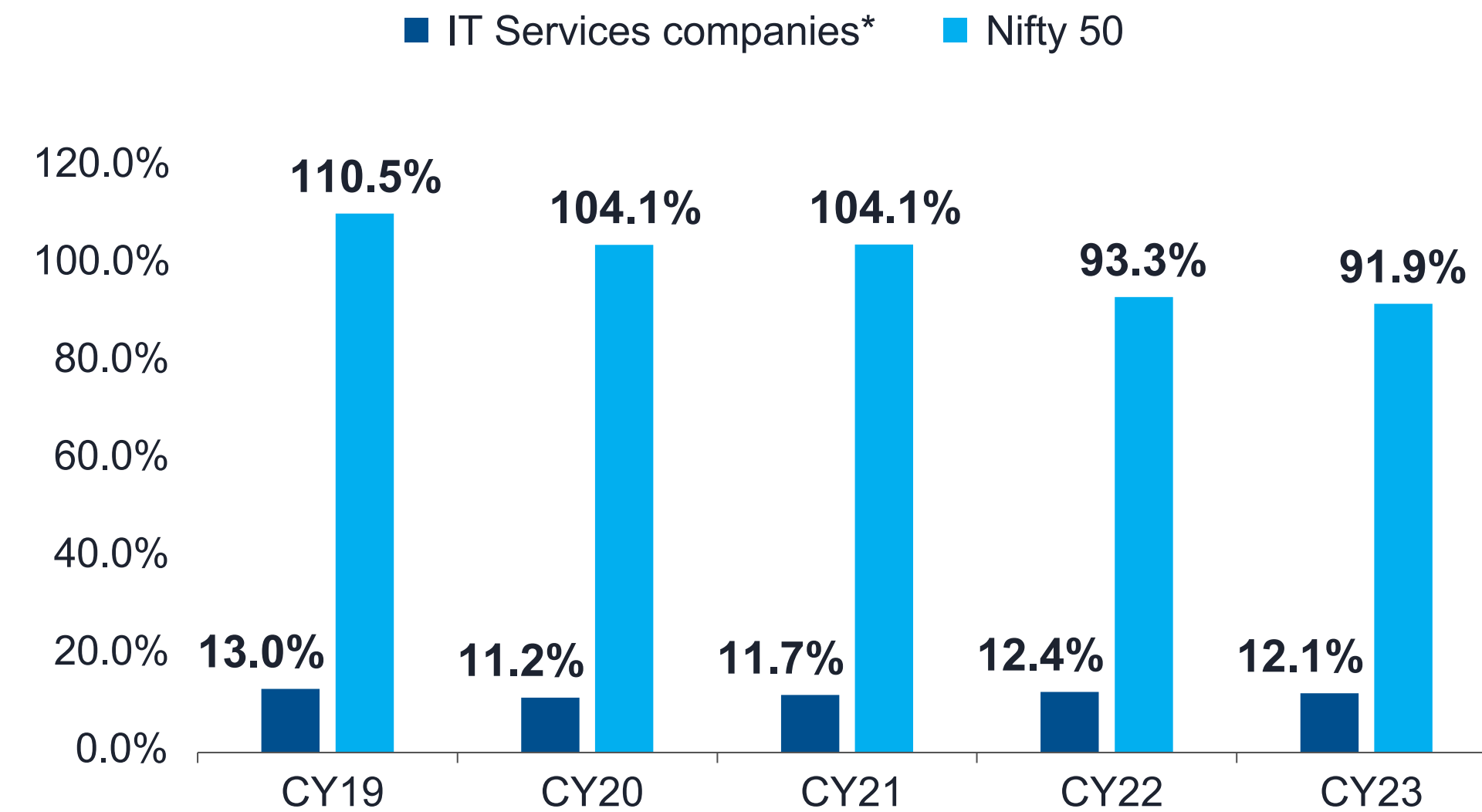
IT Services companies are more efficient than the broader Nifty 50

Return on Common Equity (%)



IT Services companies have strong balance sheets viz. less debt than the broader Nifty 50

Leverage - Total debt to total equity (%)



Source: Bloomberg, internal calculations * Data refers to the simple average of corresponding data for the largest 5 IT Services companies by Market Cap as of Oct 31, 2024

India has good quality of tech talent available in addition to a large talent pool

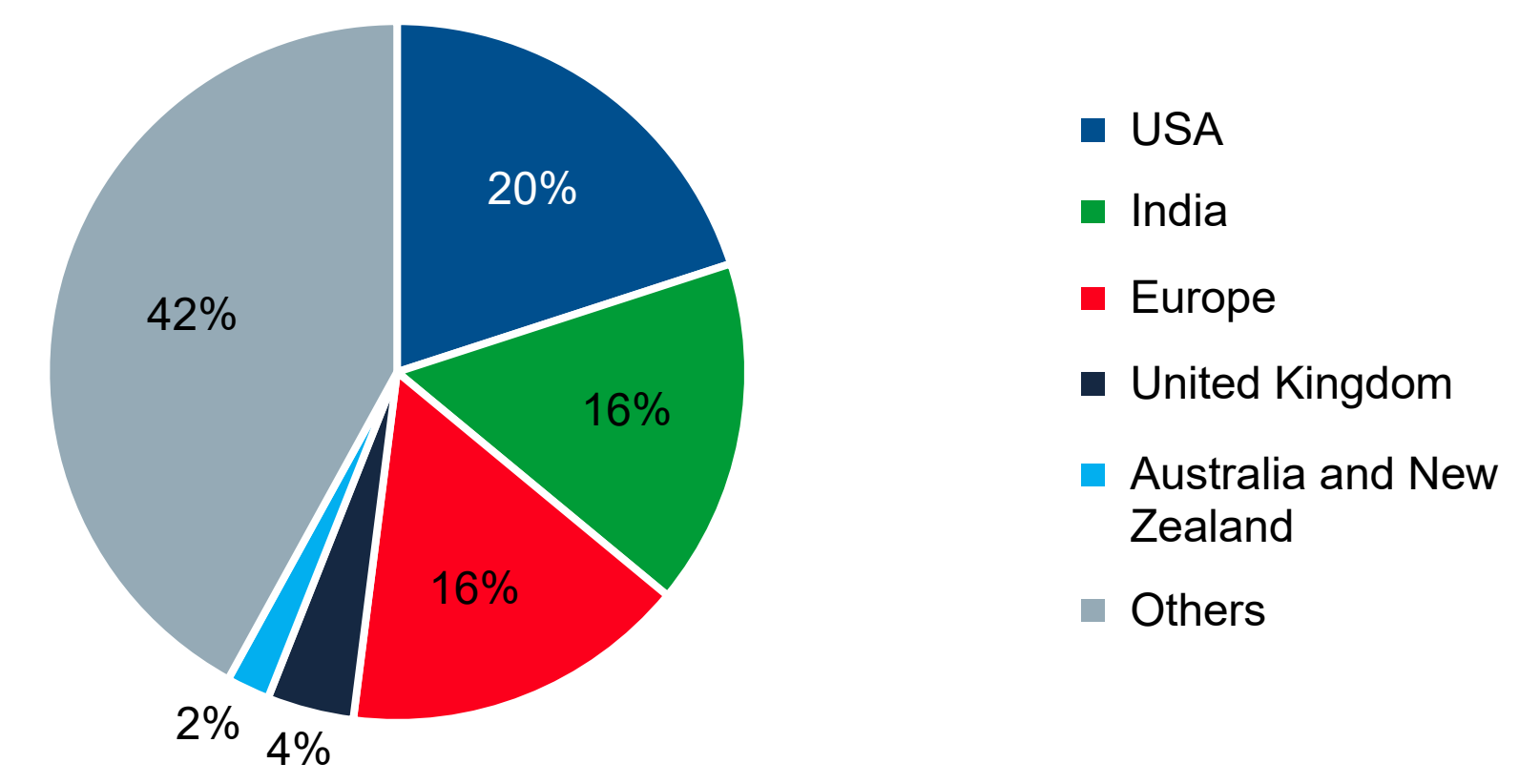
Indian Workforce highly skilled

One of the top in terms of AI skills penetration

Large AI/ML* Business Development Assessment talent pool, globally

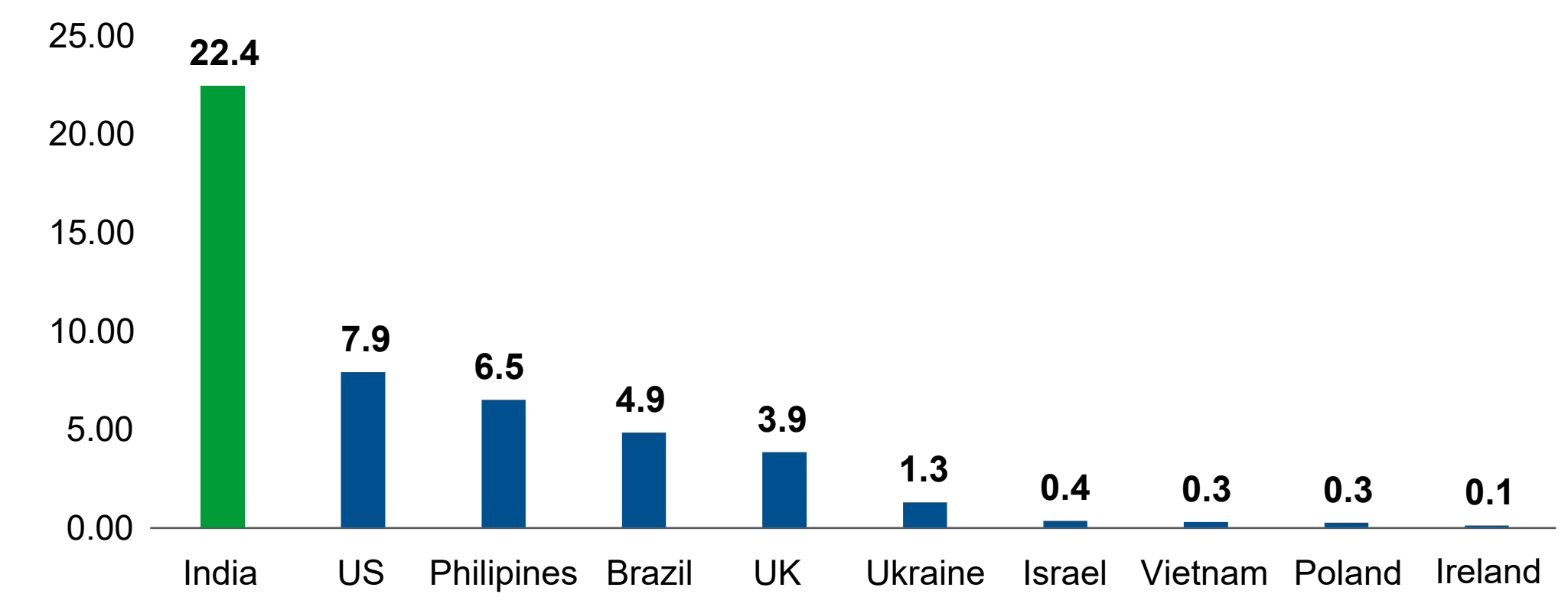
Increased supply of Cloud professionals.

Country-wise Tech Talent Distribution (%)



Note: Data excludes China

Yearly STEM Graduates (in lakh)



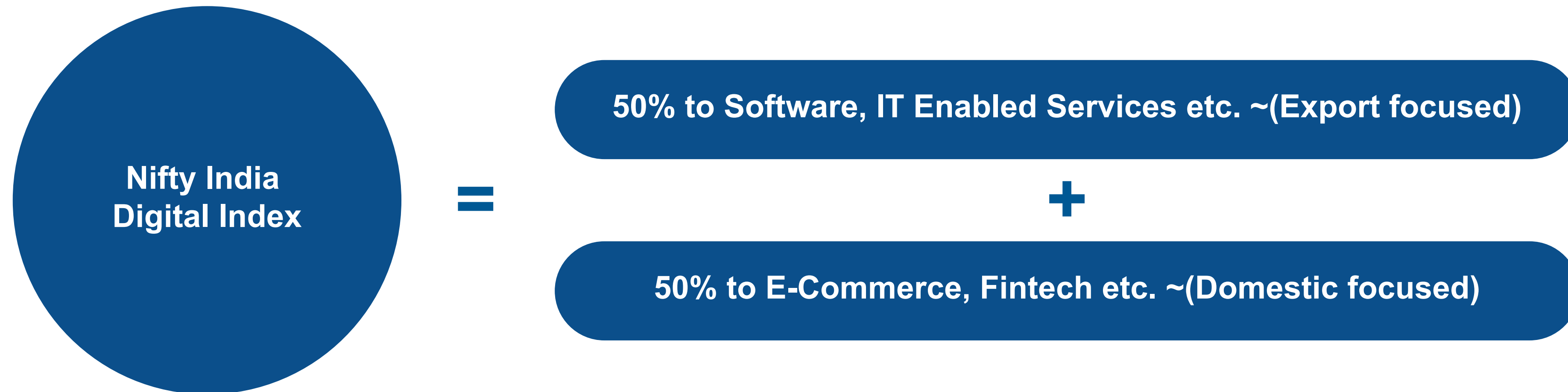
Note: STEM is an abbreviation for Science, Technology, Engineering and Mathematics

Source: EY, Publicly Available Information *AI/ML = Artificial Intelligence / Machine Learning

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About the

Nifty India Digital Index



Parameter	Nifty India Digital Index
Universe	Nifty 500
Stock selection process	30 Largest stocks from eligible basic industries*
Weights and Capping	Sector weights capped at 50% each. Stock weights capped at 7.5% each
Portfolio Review	Semi-annual (Mar, Sep)
Weight Rebalancing	Quarterly (Mar, Jun, Sep and Dec)

Source: NSE Indices Limited. ~ Based on data as of Oct 31, 2024. * List of eligible basic industries is provided in the Appendix.
For detailed methodology, please visit www.niftyindices.com

For disclaimers refer slide 35

About the Nifty India Digital Index

- ✓ Index aims to track the performance of portfolio of stocks that broadly represent the India Digital theme
- ✓ 30 stocks from eligible basic industries including Software, IT Enabled Services, E-Commerce, Fintech etc.



For detailed methodology, please visit www.niftyindices.com

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Top 10 constituents of Nifty India Digital Index

Company Name	Weightage (%)
HCL Technologies Ltd.	7.9%
PB Fintech Ltd.	7.9%
Info Edge (India) Ltd.	7.5%
Tata Consultancy Services Ltd.	7.4%
Infosys Ltd.	7.4%
Bharti Airtel Ltd.	7.3%
Zomato Ltd.	6.8%
Tech Mahindra Ltd.	5.5%
Wipro Ltd.	4.2%
One 97 Communications Ltd.	4.0%
Total of Top 10 constituents	65.9%

Source: NSE Indices, internal calculations. As of Oct 31, 2024

Constituents by basic industry

Sub Sector / Basic Industry	Company Name	Basic Industry weight (%)
Computers - Software & Consulting	HCL TECHNOLOGIES LTD.	46.84
	TATA CONSULTANCY SERVICES LTD.	
	INFOSYS LTD.	
	TECH MAHINDRA LTD.	
	WIPRO LTD.	
	PERSISTENT SYSTEMS LTD.	
	LTIMINDTREE LTD.	
	COFORGE LTD.	
	MPHASIS LTD.	
	TATA ELXSI LTD.	
	KPIT TECHNOLOGIES LTD.	
	SONATA SOFTWARE LTD.	
	BIRLASOFT LTD.	
INTELLECT DESIGN ARENA LTD.		
E-Retail/ E-Commerce	ZOMATO LTD.	10.65
	FSN E-COMMERCE VENTURES LTD.	

Sub Sector / Basic Industry	Company Name	Basic Industry weight (%)
Financial Technology (Fintech)	PB FINTECH LTD.	11.91
	ONE 97 COMMUNICATIONS LTD.	
Internet & Catalogue Retail	INFO EDGE (INDIA) LTD.	8.69
	INDIAMART INTERMESH LTD.	
IT Enabled Services	CYIENT LTD.	2.75
	L&T TECHNOLOGY SERVICES LTD.	
	TATA TECHNOLOGIES LTD.	
	AFFLE (INDIA) LTD.	
Software Products	ORACLE FINANCIAL SERVICES SOFTWARE LTD.	1.67
	TANLA PLATFORMS LTD.	
Telecom - Cellular & Fixed line services	BHARTI AIRTEL LTD.	13.60
	TATA COMMUNICATIONS LTD.	
	VODAFONE IDEA LTD.	
Tour Travel Related Services	IRCTC LTD.	3.89

The Nifty India Digital Index provides diversified exposure to the Digital theme across 8 basic industries currently

Source: NSE Indices, internal calculations. As of Oct 31, 2024

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Sector, basic industry and size segment distribution

Sector	Weights (%)
Information Technology	51.27
Consumer Services	23.22
Telecommunication	13.60
Financial Services	11.91

Segment	Weights (%)
Large Cap	49.37
Mid Cap	46.31
Small Cap	4.32

Basic Industry	Weights (%)
Computers - Software & Consulting	46.84
Telecom - Cellular & Fixed line services	13.60
E-Retail/ E-Commerce	10.65
Financial Technology (Fintech)	11.91
Internet & Catalogue Retail	8.69
Tour Travel Related Services	3.89
IT Enabled Services	2.75
Software Products	1.67

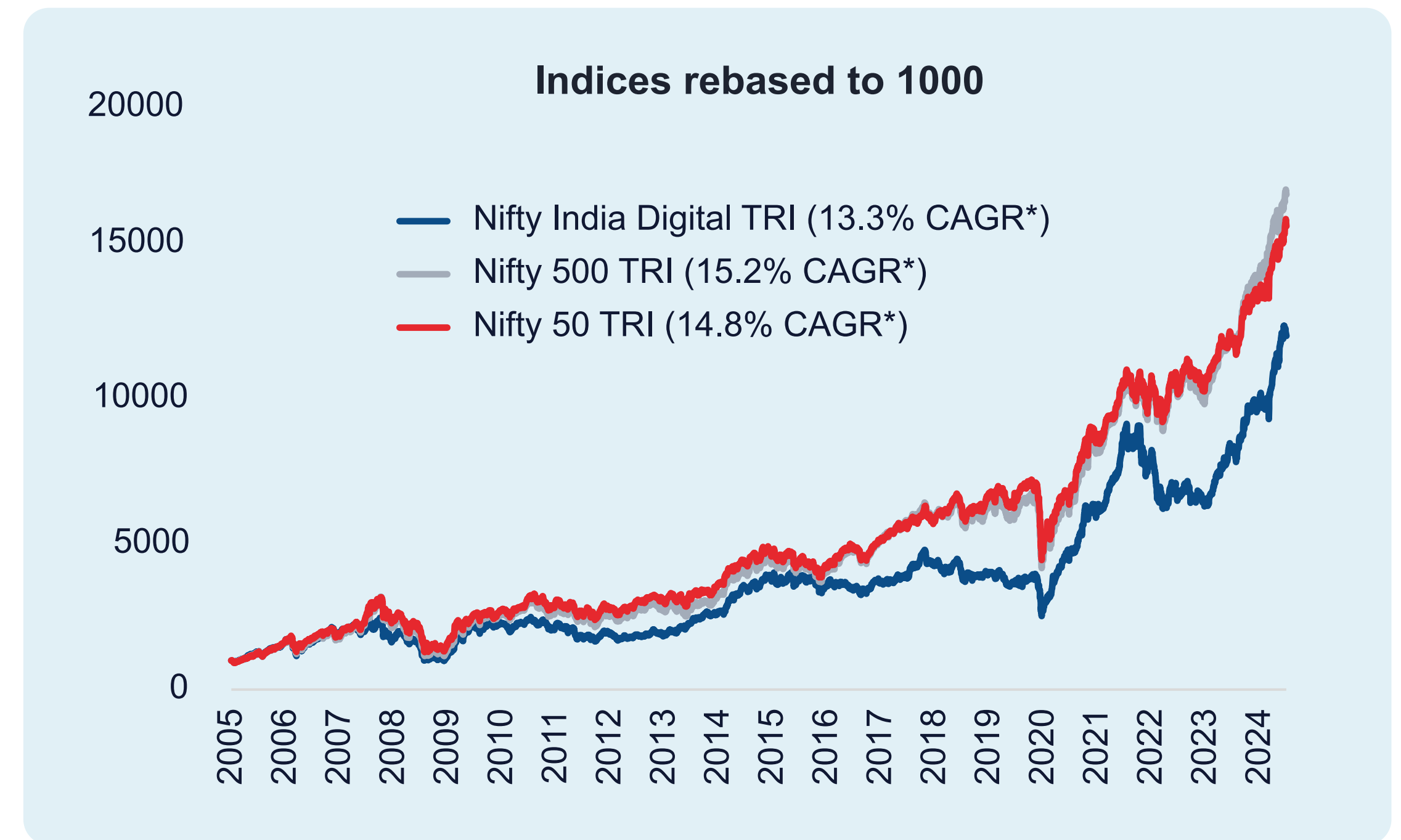
Source: NSE Indices, internal calculations. As of Oct 31, 2024. Large Cap/Mid Cap/ Small Cap Classification as per as per Clause 2.7 of SEBI Master Circular for Mutual Funds dated June 27, 2024. Large Cap/Mid Cap List as of Jun 30, 2024.

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Performance since inception

Return Periods	CAGR* as on Oct 31, 2024		
	Nifty India Digital TRI	Nifty 500 TRI	Nifty 50 TRI
1 year	44.4%	36.3%	28.4%
3 year	11.7%	15.7%	12.3%
5 year	26.0%	19.7%	16.6%
7 year	15.4%	15.1%	14.3%
10 year	12.6%	14.2%	12.6%
15 year	12.4%	13.8%	12.9%
Since inception^ (April 01, 2005)	13.3%	15.2%	14.8%

Heatmap Key



The Nifty India Digital TRI has outperformed the Nifty 500 TRI and Nifty 50 TRI over the last 1 and 5 years respectively

Source: NSE Indices Ltd. and internal calculations. As on Oct 31, 2024. ^ Apr 01, 2005 is the inception date for the Nifty India Digital TRI.

Past performance may or may not be sustained in the future and is not a guarantee of any future returns. HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns. *CAGR: Compounded Annual Growth Rate

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FY	Nifty India Digital TRI	Nifty 500 TRI	Nifty 50 TRI
FY06	66.3%	64.3%	67.4%
FY07	15.9%	10.0%	14.3%
FY08	-10.0%	22.9%	25.1%
FY09	-34.1%	-39.1%	-35.4%
FY10	97.5%	90.0%	75.3%
FY11	-2.6%	8.4%	12.4%
FY12	-12.1%	-7.7%	-8.2%
FY13	-2.8%	6.4%	8.7%
FY14	40.9%	19.2%	19.5%
FY15	44.0%	34.9%	28.2%
FY16	-5.2%	-6.5%	-7.8%
FY17	2.3%	25.5%	20.2%
FY18	14.8%	12.9%	11.8%
FY19	-5.9%	9.7%	16.4%
FY20	-28.8%	-26.6%	-25.0%
FY21	113.5%	77.6%	72.5%
FY22	31.1%	22.3%	20.3%
FY23	-18.9%	-1.2%	0.6%
FY24	52.0%	40.5%	30.1%
FY25YTD	17.4%	12.8%	9.4%

Heatmap Key



	Nifty India Digital TRI
Number of Financial Years*	19
Years of outperformance / falling less than Nifty 500 TRI	11 (57.9%)
Years of outperformance / falling less than Nifty 50 TRI	10 (52.6%)

Source: NSE Indices Ltd. and internal calculations. FY is Financial Year FYTD: Financial Year To Date. *Does not include data of FY25FYTD.

Past performance may or may not be sustained in the future and is not a guarantee of any future returns. HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns.

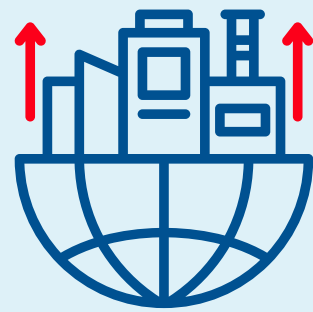
The Nifty India Digital TRI has outperformed or fallen less than the Nifty 500 TRI in 11 out of 19 FYs respectively since FY06

Presenting

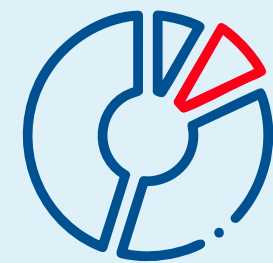
HDFC Nifty India Digital Index Fund

— An open-ended scheme replicating/tracking the Nifty India Digital Index (TRI) —

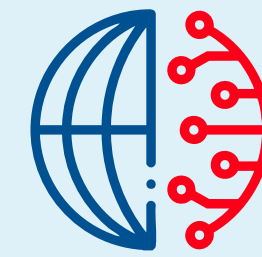
Why invest in HDFC Nifty India Digital Index Fund?



Benefit from the growth of companies driving the tech revolution



Diversified exposure to the digital theme through stocks from several sectors and size segments



Exposure to local and global beneficiaries of the secular rise of technology via a single scheme



Lower Cost

Suitable vehicle for long-term investment due to lower expense ratios

What are the key risks and mitigants?

Key Risks	Mitigants
Competitive intensity and / or technological disruption faced by the sector	Relatively strong moats such as long customer relationships, investments in (re)skilling talent should aid competitiveness and adaptability to technological evolutions
High Employee turnover / war for talent affecting portfolio companies	The scale of talent supply in India balances out the issue of employee turnover over the medium term
Dependence on global economic growth / macro variables for IT Services companies	Value proposition of tech is evolving from costs / efficiency to revenue generation, making tech spends more sticky across economic cycles. Sharp currency moves impact near-term profitability. In the long term, this is usually passed on to customers
Government regulations affecting portfolio companies	Restrictions in global mobility (immigrant visas) and/or increase in immigrant wages could impact near term fundamentals. In the medium term, such restrictions or increase in costs lead to higher offshoring
Historically, the index has exhibited higher volatility and drawdowns than broad market indices like the NIFTY 500, NIFTY 50 etc.	Investors who are new to equity markets may take due care in light of their risk profile or use the SIP route to take exposure over a period of time. A longer holding period can potentially mitigate short-term fluctuations.
The Scheme being sectoral / thematic in nature carries higher risks versus diversified equity mutual funds on account of concentration and sector specific risks.	Sectoral / thematic funds carry higher risk, thus one could take controlled exposure to such funds.



Trusted for 20 in Index Solutions

HDFC AMC has been a trusted fund manager in Index Solutions for 20+ years



Wide Product Range

19 ETFs, 22 Index Funds & 3 FoFs including:

- ✓ Market-cap based – 7 ETFs and 9 Index Funds
- ✓ Sector based – 4 ETFs, 1 Index Fund
- ✓ Smart Beta based – 5 ETFs and 4 Index Funds
- ✓ Commodities – 2 ETFs and 2 Fund of Funds
- ✓ Debt – 8 Index Funds, 1 ETF
- ✓ International – 1 Fund of Fund



One of the largest funds across several categories:

- ✓ Market-cap based Index Funds
- ✓ Commodity ETFs with over 12+ years of history
- ✓ Smallcap ETF category

	HDFC Nifty India Digital Index Fund
Scheme Type	An open ended scheme replicating/tracking Nifty India Digital Index (TRI)
Investment Objective	To generate returns that are commensurate (before fees and expenses) with the performance of the Nifty India Digital (TRI), subject to tracking error. There is no assurance that the investment objective of the Scheme will be achieved.
Fund Manager	Mr. Nirman Morakhia and Mr. Arun Agarwal
Benchmark Index (Total Return Index)	Nifty India Digital Index (TRI)
Load Structure	Exit Load: Nil No Exit Load shall be levied on bonus units and on units allotted on reinvestment of IDCW. In respect of Systematic Transactions such as SIP, STPs etc., Exit Load, if any, prevailing on the date of registration /enrolment shall be levied.
Min. Investment Amount	During NFO Period and continuous offer period (after scheme re-opens for repurchase and sale): Purchase and additional purchase: Rs. 100 and any amount thereafter Note: Allotment of units will be done after deduction of applicable stamp duty and transaction charges, if any.

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Securities covered by Nifty India Digital Index (TRI)	95	100
Debt Securities & Money Market Instruments, units of Debt Schemes of Mutual Funds@	0	5

@ investments will be made Cash or cash equivalents i.e. Government Securities, T-Bills and Repo on Government Securities, units of Liquid and Overnight Mutual Fund Schemes for liquidity purposes.

For complete disclosure, refer Scheme Information Document.

For disclaimers refer slide 35

Appendix : List of eligible Basic Industries for inclusion in Nifty India Digital Index

List of eligible Basic Industries

 Computers - Software & Consulting	 IT Enabled Services
 Computers Hardware & Equipments	 Other Telecom Services
 Digital Entertainment	 Software Products
 E-Learning	 Telecom - Cellular & Fixed line services
 E-Retail/ E-Commerce	 Telecom - Equipment & Accessories
 Financial Technology (Fintech)	 Tour, Travel Related Services
 Internet & Catalogue Retail	

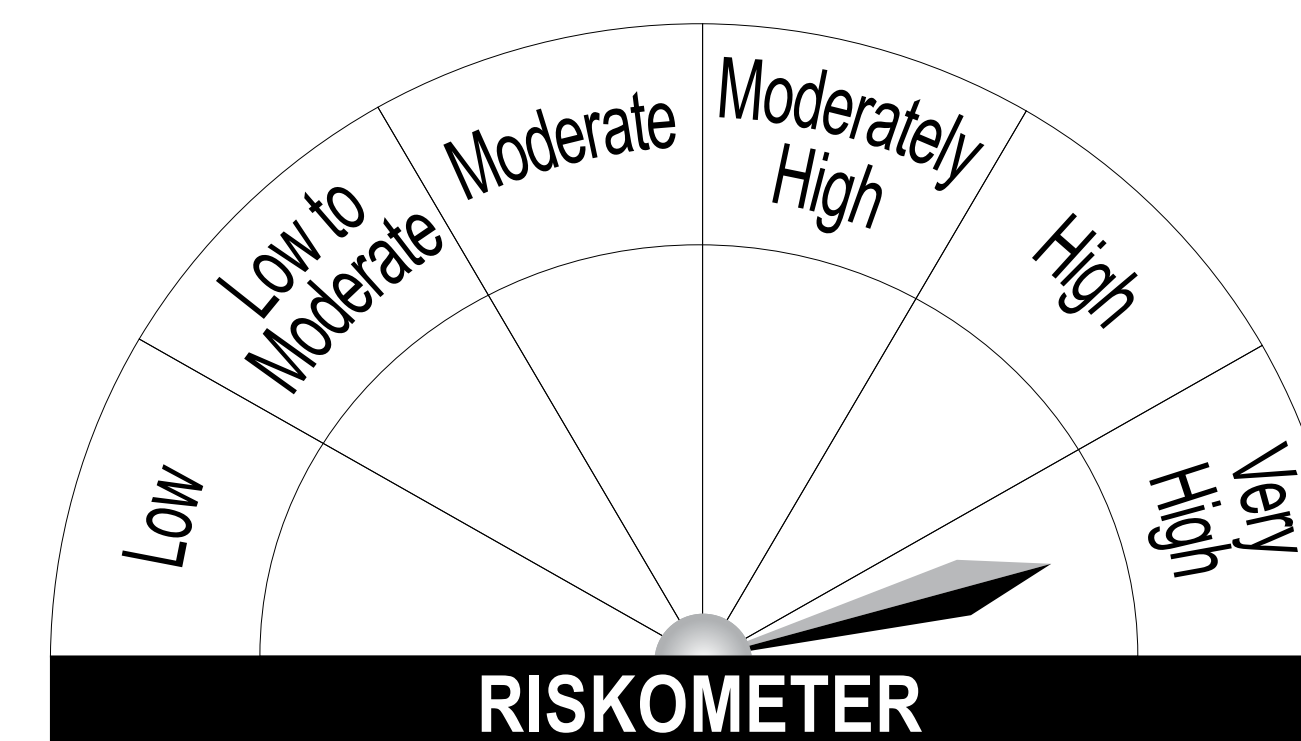
This product is suitable for investors who are seeking*:

- Returns that are commensurate (before fees and expenses) with the performance of the Nifty India Digital Index (TRI) over long term, subject to tracking error.
- Investment in equity securities covered by the Nifty India Digital Index (TRI)

*Investors should consult their financial advisers, if in doubt about whether the product is suitable for them. #The product labeling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

For latest riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. www.hdfcfund.com.

Riskometer#



RISKOMETER
Investors understand that their principal will be at very high risk

The Scheme being sectoral in nature carries higher risks versus diversified equity mutual funds on account of concentration and sector specific risks.

The views expressed herein are as of Nov 14, 2024 and are based on internal data, publicly available information and other sources believed to be reliable. Any calculations made are approximations, meant as guidelines only, which you must confirm before relying on them. The information contained in this document is for general purposes only and not an investment advice. The document is given in summary form and does not purport to be complete. The document does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this document. The information/ data herein alone are not sufficient and should not be used for the development or implementation of an investment strategy. The statements contained herein are based on our current views and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Stocks/Sectors referred are illustrative and should not be construed as an investment advice or a research report or a recommendation by HDFC Mutual Fund ("the Fund") / HDFC AMC to buy or sell the stock or any other security covered under the respective sector/s. The Fund may or may not have any present or future positions in these sectors. **Past performance may or may not be sustained in future and is not a guarantee of any future returns.** HDFC AMC / HDFC Mutual Fund is not guaranteeing / offering / communicating any indicative yield on investments made in the scheme(s). Neither HDFC AMC and HDFC Mutual Fund (the Fund) nor any person connected with them, accepts any liability arising from the use of this document. The recipient(s) before acting on any information herein should make his/her/their own investigation and seek appropriate professional advice. It may be noted that Nifty India Digital Index have been constructed and managed by NSE Indices Limited (formerly known as India Index Services & Products Limited – IISL), a subsidiary of National Stock Exchange of India Limited (NSE). The Schemes will be managed passively to replicate the performance of the Underlying Index.

NIFTY Disclaimer: HDFC Nifty India Digital Index Fund "(the Product)" offered by HDFC Asset Management Company Limited is not sponsored, endorsed, sold or promoted by NSE INDICES LIMITED (formerly known as India Index Services & Products Limited (IISL)). NSE INDICES LIMITED does not make any representation or warranty, express or implied (including warranties of merchantability or fitness for particular purpose or use) and disclaims all liability to the owners of the Products or any member of the public regarding the advisability of investing in securities generally or in the Product linked to Nifty India Digital Index (TRI) or particularly in the ability of the Nifty India Digital Index (TRI) to track general stock market performance in India. Please read the full Disclaimers in relation to Nifty India Digital Index (TRI) in the SID of the Product.

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

Mission: To be the wealth creator for every Indian

Vision: To be the most respected asset manager in the World

Thank You
