



INDEX SOLUTIONS



# EQUAL OPPORTUNITY IN INDIA'S TOP 20 BLUE CHIPS

**HDFC NIFTY TOP 20 EQUAL WEIGHT INDEX FUND**

**NFO Period**  
7<sup>th</sup> March to 21<sup>st</sup> March, 2025



The Companies mentioned above form part of Nifty Top 20 Equal Weight Index (TRI) as on January 31, 2025. For complete details visit [www.Niftyindices.com](http://www.Niftyindices.com) or refer Scheme Information Document. Refer disclaimer on page 21



- ▶ Large Caps are often the Leaders of their industry and offer potential for steady long-term growth
- ▶ These companies could have a long track record, wide domestic/global reach and market leadership in their respective industries

## Is there a way to invest in the Leaders among these Leaders of the market?

**Yes** - The HDFC Nifty Top 20 Equal Weight Index Fund will invest in the Top 20 largest companies\* from the Nifty 50 Index!

Source: NSE Indices Limited. \* Scheme tracks the Nifty Top 20 Equal Weight Index, which consists of the top 20 stocks selected based on 6-month average free-float market capitalization from the Nifty 50 Index. For detailed methodology, please visit [www.niftyindices.com](http://www.niftyindices.com)



- ▶ Equal weighted portfolio to Leaders among the Blue Chips (Top 20\*) (*Refer Slide 4*)
- ▶ Diversified sector exposure (*Refer Slide 6*)
  - The 20 stock index provides diversified exposure to 10 sectors
  - Differentiated sector exposure vs. Nifty 50 Index
- ▶ Reduced stock concentration risk due to Equal Weighting (*Refer Slide 7*)
  - Top 3 stocks account for 16.8% weight compared to 28.8% weight for the Nifty 50 Index
- ▶ The strategy has historically generated better long-term returns than the Nifty 50 TRI (*Slides 8-10*)
- ▶ Possibility of Mean Reversion for Large Caps (*Refer Slide 13*)
  - Large Caps currently have less valuation premium than the broader market
  - Large Caps as a % of broad market cap close to decadal lows

Source: NSE Indices Ltd., internal calculations. \* Scheme tracks the Nifty Top 20 Equal Weight Index, which consists of the top 20 stocks selected based on 6-month average free-float market capitalization from the Nifty 50 Index. For detailed methodology, please visit [www.Niftyindices.com](http://www.Niftyindices.com)



# Nifty Top 20 Equal Weight Index : An index of Market Leaders

Company Name	Sector	Description
Asian Paints Ltd.	Consumer Durables	#1 Paint company in India and #2 in Asia
Axis Bank Ltd.	Financial Services	Third largest private sector bank in India
Bajaj Finance Ltd.	Financial Services	One of the most diversified NBFCs in India with more than 80 million customers
Bharti Airtel Ltd.	Telecommunication	~40% Revenue Market Share in India (2024)
HCL Technologies Ltd.	Information Technology	Global IT Services company with 2 Lakh+ employees across 60 countries
HDFC Bank Ltd.	Financial Services	Largest private sector bank in India
Hindustan Unilever Ltd.	Fast Moving Consumer Goods	FMCG company with 90+ years of presence in India. Brands used by 9/10 households in India
ICICI Bank Ltd.	Financial Services	Leading Private Sector Bank with more than 6000 Business Centres across India
Infosys Ltd.	Information Technology	Global leader in IT Services with presence in 50+ countries.
ITC Ltd.	Fast Moving Consumer Goods	One of India's largest conglomerates, with a diversified portfolio that spans industries
Kotak Mahindra Bank Ltd.	Financial Services	One of India's leading Private Sector Banks
Larsen & Toubro Ltd.	Construction	Diversified conglomerate with more than 80 years of history
Mahindra & Mahindra Ltd.	Automobile and Auto Components	One of the world's largest manufacturers of tractors and farm equipment
Maruti Suzuki India Ltd.	Automobile and Auto Components	India's largest car manufacturer with market share > 40% in Passenger Vehicles
Reliance Industries Ltd.	Oil Gas & Consumable Fuels	A Fortune 500 company and the largest private sector corporation in India
State Bank of India	Financial Services	Largest public sector bank in India
Sun Pharmaceutical Industries Ltd.	Healthcare	Largest pharmaceutical company in India
Tata Motors Ltd.	Automobile and Auto Components	Multinational Automotive Company with presence in 125 countries
Tata Consultancy Services Ltd.	Information Technology	Largest IT company by Revenue in India
Titan Company Ltd.	Consumer Durables	One of India's largest and most well-known lifestyle and retail companies

Source: NSE Indices Ltd. Index constituents as of Jan 31, 2025. \*Does not include ITCHOTELS, as this stock was excluded from Nifty Top 20 Equal Weight Index effective from February 10, 2025 (close of February 07, 2025)

Refer disclaimer on page 21

# How is the Index constructed?\*

## ► Passively managed strategy

Parameter	Nifty Top 20 Equal Weight Index
Universe / Parent Index	Nifty 50 Index
Stock selection	Top 20 stocks are selected based on 6-month average free-float market capitalization from the Nifty 50 Index
Number of stocks	20
Weights	Equal Weight ie. 5% each
Weight rebalancing	Quarterly (March, June, September and December)
Portfolio Review	Semi-annual (March and September)

Source: NSE Indices Limited. \*For detailed methodology, please visit [www.niftyindices.com](http://www.niftyindices.com)

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# Concentrated Yet Diversified

► Even with only 20 stocks, the Index has exposure to 10 sectors

Sector	Nifty Top 20 Equal Weight (%)	Nifty 50 (%)	Difference in sector weights vs. Nifty 50 Index (%)
Consumer Durables	10.3	2.4	7.9
Automobile and Auto Components	15.4	7.6	7.8
Fast Moving Consumer Goods	9.9	8.0	1.9
Telecommunication	5.1	4.1	0.9
Construction	4.9	4.0	0.9
Healthcare	4.7	3.9	0.8
Information Technology	14.3	14.0	0.4
Services	-	0.8	-0.8
Capital Goods	-	1.0	-1.0
Consumer Services*	0.2	1.4	-1.2
Construction Materials	-	2.1	-2.1
Power	-	2.7	-2.7
Metals & Mining	-	3.3	-3.3
Financial Services	30.0	34.3	-4.4
Oil Gas & Consumable Fuels	5.2	10.4	-5.3

Source: NSE Indices, internal calculations. As of Jan 31, 2025. \*Consumer Services sector includes ITCHOTELS as this was demerged from ITC. ITCHOTELS was subsequently excluded from the Nifty Top 20 Equal Weight Index effective from February 10, 2025 (close of February 07, 2025)

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# Diversification without Market Cap bias within Top 20

- ~60% overlap with NIFTY 50
- Top 3 stocks account for 16.8% weight compared to 28.8% weight for the NIFTY 50 Index
- Top 5 stocks account for 27.3% weight compared to 39.3% for NIFTY 50 Index
- Better diversification without Market Cap bias within Top 20 stocks of NIFTY 50

Top 3 Weighted Stocks as per NIFTY Top 20 EW*	Weight in Nifty Top 20 Equal Weight (%)	Nifty 50 (%)
Bajaj Finance	5.8%	2.1%
Maruti Suzuki India Ltd.	5.6%	1.5%
Kotak Mahindra Bank Ltd.	5.4%	2.6%

Bottom 3 Weighted Stocks as per NIFTY Top 20 EW*	Weight in Nifty Top 20 Equal Weight (%)	Nifty 50 (%)
HCL Technologies Ltd.	4.5%	1.7%
Axis Bank	4.6%	2.7%
ITC Ltd.	4.7%	3.9%

Top 3 Weighted Stocks as per NIFTY 50	Weight in Nifty Top 20 Equal Weight (%)	Nifty 50 (%)
HDFC Bank	4.7%	12.2%
ICICI Bank	4.8%	8.4%
Reliance Industries	5.2%	8.1%

EW - Equal Weight

Source: NSE Indices, internal calculations. As of Jan 31, 2025. \*Does not include ITCHOTELS, as this stock was excluded from Nifty Top 20 Equal Weight Index effective from February 10, 2025 (close of February 07, 2025)

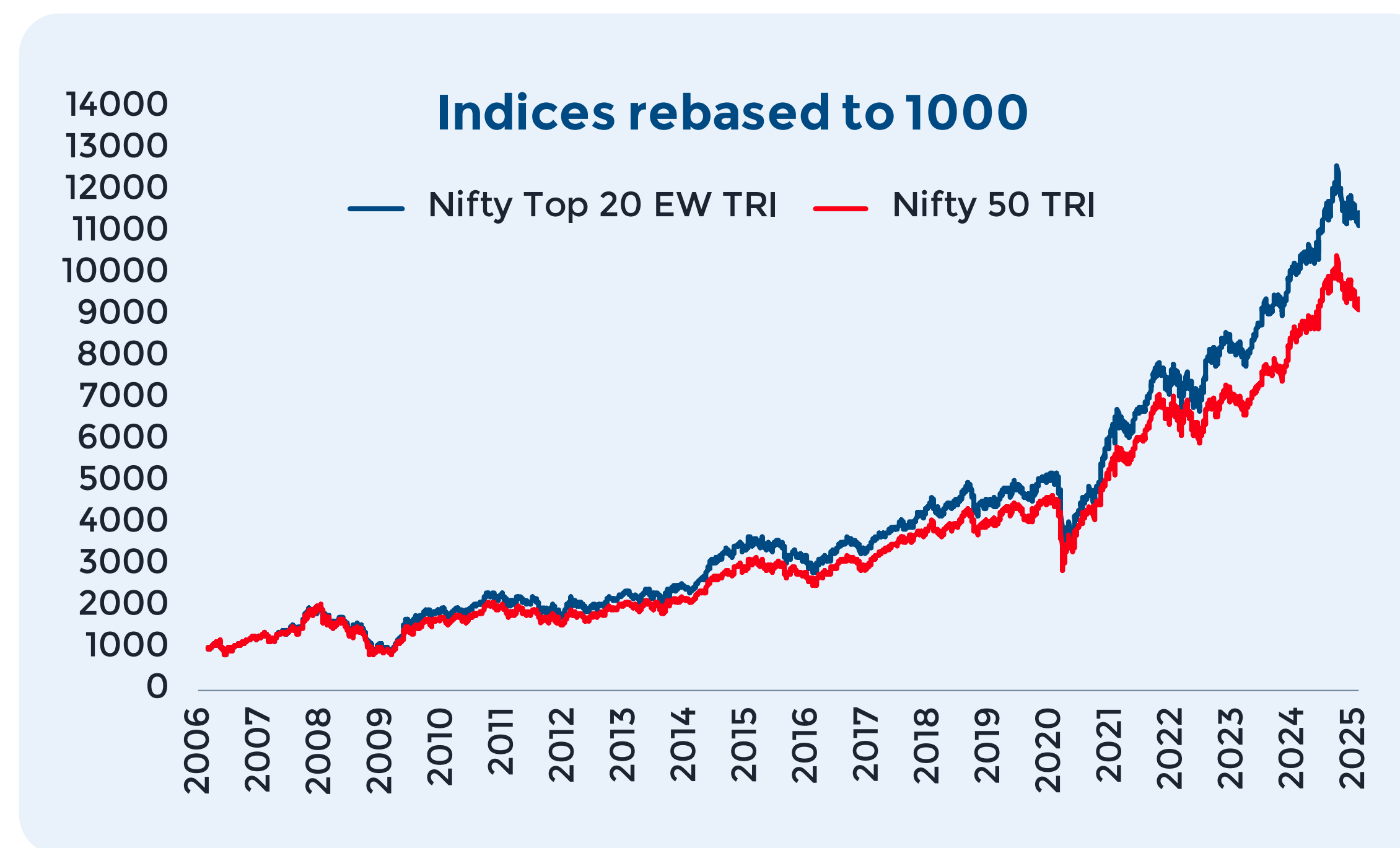
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# How does the performance stack up vs Nifty 50?

Return Periods	CAGR* as on Jan 31, 2025	
	Nifty Top 20 Equal Weight TRI	Nifty 50 TRI
1 year	13.2%	9.6%
3 year	15.1%	12.0%
5 year	17.6%	15.8%
7 year	14.0%	12.8%
10 year	12.2%	11.7%
15 year	13.0%	12.4%
Since inception <sup>^</sup>	13.7%	12.6%

Heatmap Key



**The Nifty Top 20 Equal Weight TRI has outperformed the Nifty 50 TRI over the last 1, 3, 5 and 10 years respectively**

Source: NSE Indices Ltd. and internal calculations. As on Jan 31, 2025. <sup>^</sup>Mar 02, 2006 is the inception date for the Nifty Top 20 Equal Weight 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 Performance: NIFTY Top 20 EW vs NIFTY 50



MUTUAL FUND

BHAROSA APNO KA

FY	Nifty Top 20 Equal Weight TRI	Nifty 50 TRI
FY07	15.5%	14.3%
FY08	27.0%	25.1%
FY09	-34.1%	-35.4%
FY10	85.6%	75.3%
FY11	15.7%	12.4%
FY12	-7.6%	-8.2%
FY13	6.1%	8.7%
FY14	20.7%	19.5%
FY15	31.7%	28.2%
FY16	-10.0%	-7.8%
FY17	19.6%	20.2%
FY18	12.3%	11.8%
FY19	14.3%	16.4%
FY20	-25.4%	-25.0%
FY21	76.7%	72.5%
FY22	17.1%	20.3%
FY23	7.3%	0.6%
FY24	32.2%	30.1%
FY25YTD*	9.0%	6.5%

Heatmap Key



	Nifty Top 20 Equal Weight TRI
Number of Financial Years*	18
Years of outperformance / falling less than Nifty 50 TRI	12 (66.7%)

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 Top 20 Equal Weight TRI has outperformed or fallen less than the Nifty 50 TRI in 12 out of 18 FYs since FY07**

# Higher Average Rolling Returns

Return Periods	Average Rolling Returns		Std. Deviation of Rolling Returns		Return-Risk Ratio	
	Nifty Top 20 Equal Weight TRI	Nifty 50 TRI	Nifty Top 20 Equal Weight TRI	Nifty 50 TRI	Nifty Top 20 Equal Weight TRI	Nifty 50 TRI
1 year	16.3%	15.0%	23.7%	22.6%	0.69	0.67
3 year	13.2%	12.1%	6.6%	6.0%	2.01	2.02
5 year	12.5%	11.7%	4.3%	4.2%	2.90	2.77
10 year	12.3%	11.8%	2.4%	2.4%	5.18	4.85

Heatmap Key

Rank 1

Rank 2

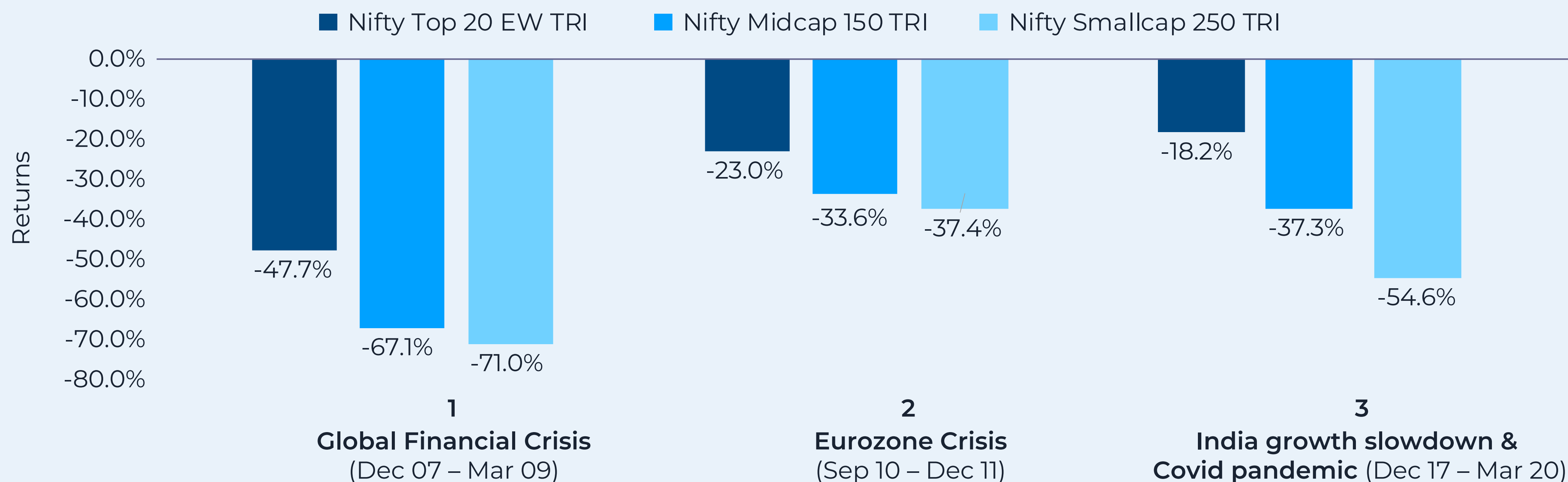
**The Nifty Top 20 Equal Weight TRI has generated higher average rolling returns over 1, 3, 5 and 10 year horizons compared to Nifty 50 TRI**

Source: NSE Indices Ltd. and internal calculations. Based on daily rolling returns of Nifty Top 20 Equal Weight TRI and Nifty 50 TRI. Return Period: Mar 02, 2006 to Jan 31, 2025 for the above mentioned indices, since both indices have values from Oct 1, 2009 onwards. Return Risk Ratio = Average Rolling Returns/Std. Deviation of Rolling Returns. **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.**

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# Largecaps – Have fallen less during mid and smallcap sell-offs

**Nifty Top 20 Equal Weight TRI has historically fallen less as compared to or fallen less during mid and smallcaps market stress periods**



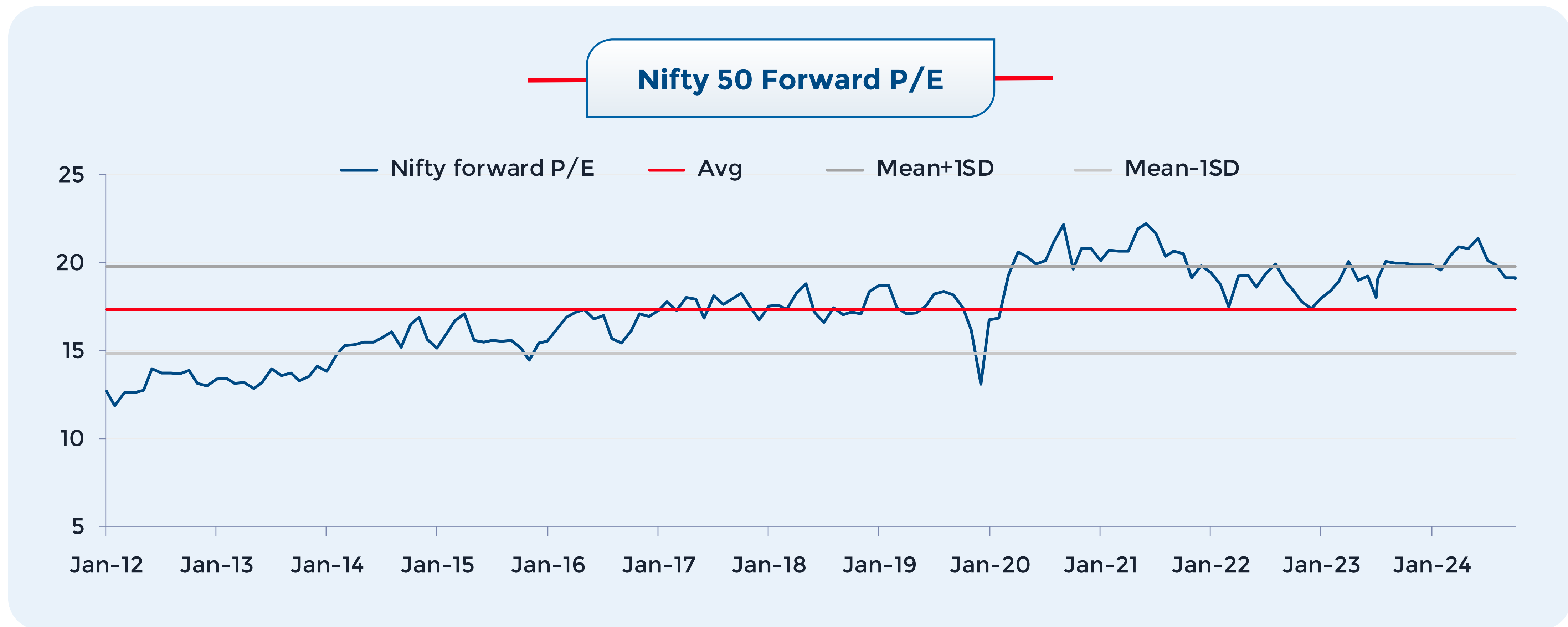
Source: NSE Indices Ltd. Internal calculations. Data as of Jan 31, 2025. Note the historical examples above are not exhaustive and are for illustration purposes. **Past performance may or may not be sustained in the future and is not a guarantee of any future returns. HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns.**

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# Largecaps – Valuations above Long-Term Average

Improved Fundamentals have fueled Optimism, but Growth is slowing / Plateauing



Source: Kotak Institutional Equities. Data as of Jan 31, 2025.

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# Room for largecap share of total market cap to increase

Largecap share of total market cap is close to decadal lows

Nifty 100 market cap as % of Nifty 500 market cap



Source: Kotak Institutional Equities. Data as of Jan 31, 2025. Note the historical examples above are not exhaustive and are for illustration purposes. 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.

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# Key Stats : Nifty Top 20 Equal Weight Index

- ▶ The Nifty Top 20 Equal Weight Index consists of the top 20 stocks selected based on 6-month average free-float market capitalization from the Nifty 50 Index

## Top 10 constituents of Nifty Top 20 Equal Weight Index

Weights (%)	Nifty Top 20 Equal Weight Index	Nifty 50 Index
Top 3 stocks	16.8%	28.8%

Source: NSE Indices, internal calculations. As of Jan 31, 2025

## Key Index Stats

	Nifty Top 20 Equal Weight Index	Nifty 50 Index
Price Earnings Ratio (P/E)	22.44	21.33
Price Book Ratio (P/B)	4.31	3.51
Dividend yield	1.24%	1.38%

Source: NSE Indices, internal calculations. As of Jan 31, 2025

\* For detailed methodology, please see the Appendix and [www.Niftyindices.com](http://www.Niftyindices.com).

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Company Name	Weightage (%)
Bajaj Finance Ltd.	5.76%
Maruti Suzuki India Ltd.	5.62%
Kotak Mahindra Bank Ltd.	5.40%
Hindustan Unilever Ltd.	5.27%
Titan Company Ltd.	5.23%
Reliance Industries Ltd.	5.18%
Asian Paints Ltd.	5.06%
Bharti Airtel Ltd.	5.06%
Mahindra & Mahindra Ltd.	5.00%
Tata Consultancy Services Ltd.	4.91%
<b>Total of Top 10 constituents</b>	<b>52.5%</b>

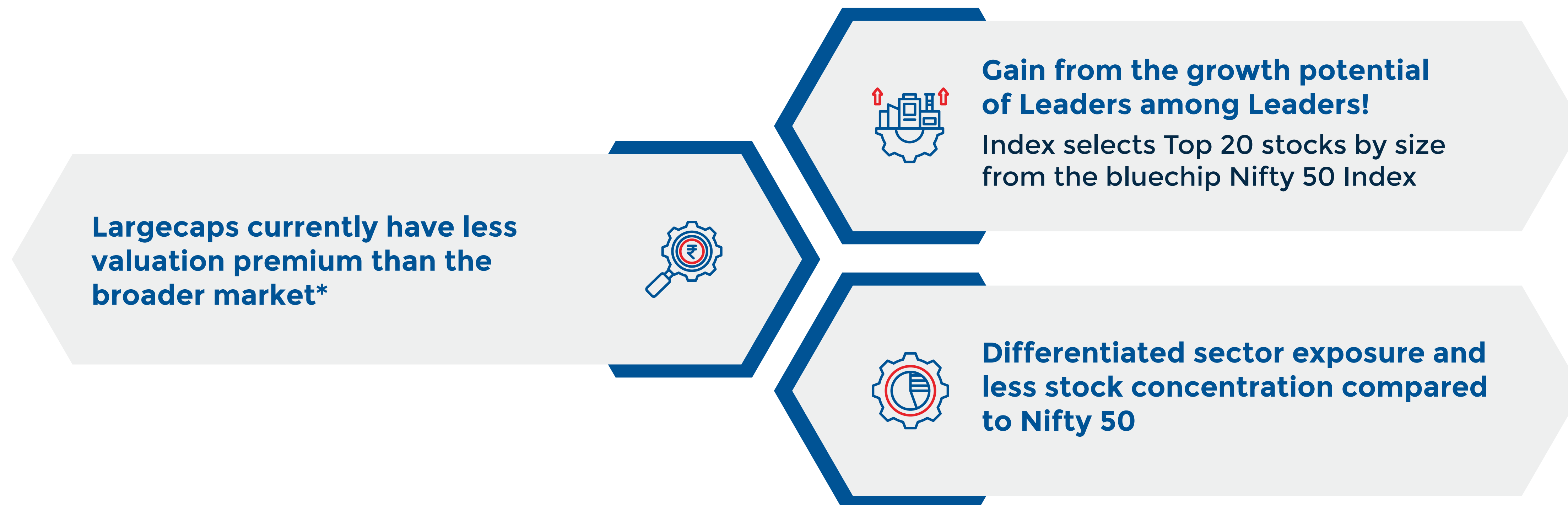
Source: NSE Indices, internal calculations. As of Jan 31, 2025



*Presenting*  
**HDFC Nifty Top 20 Equal  
Weight Index Fund**

An Open-ended scheme replicating/tracking  
the Nifty Top 20 Equal Weight Index (TRI)

# Why invest in HDFC Nifty Top 20 Equal Weight Index Fund?



\*Nifty 50 P/E of 21.33 vs. Nifty 500 P/E of 24.27 as of Jan 31, 2025. Source: NSE Indices Ltd.  
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## 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, 23 Index Funds & 3 FoFs including:**

- ▶ Market-cap based - 7 ETFs and 9 Index Funds
- ▶ Sector based - 4 ETFs, 2 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



	<b>HDFC Nifty Top 20 Equal Weight Index Fund</b>
<b>Type of Scheme</b>	An open ended scheme replicating/tracking Nifty Top 20 Equal Weight Index (TRI)
<b>Investment Objective</b>	To generate returns that are commensurate (before fees and expenses) with the performance of the Nifty Top 20 Equal Weight (TRI), subject to tracking error.  <b>There is no assurance that the investment objective of the Scheme will be achieved.</b>
<b>Fund Manager</b>	Mr. Nirman Morakhia and Mr. Arun Agarwal
<b>Benchmark Index (Total Return Index)</b>	Nifty Top 20 Equal Weight Index (TRI)
<b>Entry / Exit Load</b>	Nil
<b>Min. Investment Amount</b>	<b>During NFO Period and continuous offer period (after scheme re-opens for repurchase and sale):</b> Purchase and additional purchase: Rs. 100 and any amount thereafter  <b>Note:</b> 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 Top 20 Equal Weight 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.

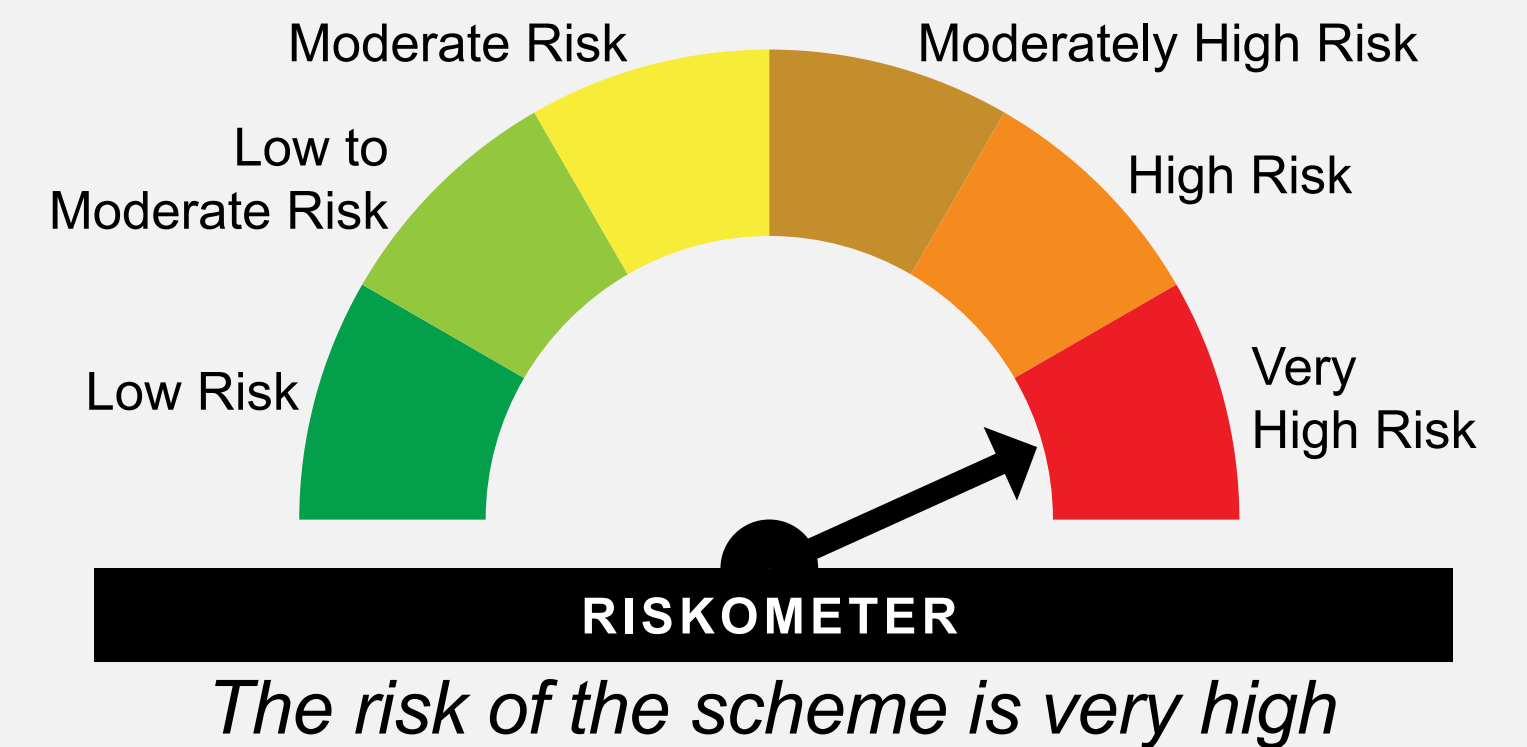
For complete disclosure, refer Scheme Information Document.

## This product is suitable for investors who are seeking\*:

- Returns that are commensurate (before fees and expenses) with the performance of the Nifty Top 20 Equal Weight Index (TRI) over long term, subject to tracking error.
- Investment in equity securities covered by the Nifty Top 20 Equal Weight 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](http://www.hdfcfund.com).

## Riskometer#





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**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!**