

HDFC Housing Opportunities Fund – Series 1 (1140 Days)

Name of the Scheme	HDFC Housing Opportunities Fund – Series 1
Fund Manager	Mr. Srinivas Rao Ravuri
NFO Period	16th November 2017 to 30th November 2017
Exit Load	Not applicable. The Units under the Plan cannot be directly redeemed with the Fund for 1140 days as the Units will be listed on the stock exchange(s).
Type of Fund	Closed Ended Thematic Equity Scheme
Tenure	1140 Days
Expense Ratio	Maximum 2.50%
Face Value	Rs. 10
Minimum Investment	Purchase: Rs. 5,000 and in multiple of Rs. 10 thereafter.
Benchmark	India Housing and Allied Businesses Index
Riskometer	High

Scheme Objective: Investment predominantly in equity and equity related instruments of entities engaged in and/or expected to benefit from the growth in housing and its allied business activities.

Rationale behind investing in Housing and Allied Sectors:

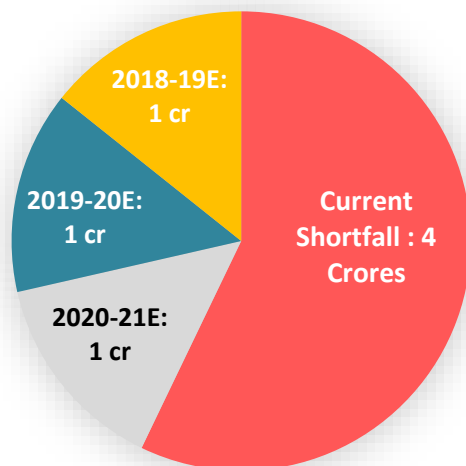
- Acute housing shortage in India;
- Changing landscape provides a conducive environment for the growth of housing sector;
- Government's focus on affordable housing could lead to maximum activity in this segment;
- Affordability has increased over the last decade;
- Multiple macro-economic linkages to foster growth in allied industries, thereby boosting economic growth.

This fund is suitable for investors looking to:

- Participate in the expected growth in Indian housing sector and its allied businesses;
- Achieve capital appreciation through investment into equities of entities involved in housing and allied sectors;
- The fund is not suitable for risk averse investors.

Why go for investment into the Housing sector?

Housing Demand: 7 crore in 3 yrs



Current trends and Future Expected positive triggers:

Govt Scheme of "Housing For All" by 2022

66% population below the age of 35*

Rising Household Incomes (9-10% CAGR)

Falling mortgage payments**

*MOSPI data; **mortgage rates down 250bps from 5 year peak; source: HDFC MF presentation

Sectors covered under “Housing and Allied” category:

- Real Estate developers;
- Financial Services providing housing finance;
- Allied business activities such as
 1. Construction;
 2. Cement & Cement product such as concrete, aggregates, bricks, etc.;
 3. Chemicals will include paints, adhesives, water-proofing chemicals, etc;
 4. Metals will include iron & steel, aluminium, copper, zinc, etc;
 5. Consumer durables will include home appliances, electronic items, furniture & fixtures, etc.;
 6. Additionally building products will include glass, roofing, siding, lumber, plywood, insulation, wallboard, windows, doors, cabinets, countertops, HVAC, piping, plumbing fixtures/fittings, flooring, electrical products and many other products;
 7. Any other business activity which the fund manager thinks to be allied to the housing theme.

Type of Options:

(a) Growth (b) Dividend. Dividend Sub-Option offers Dividend Payout facility. Default Sub-Option: Growth Sub-Option - where Growth or Dividend is not indicated.

Holdings:

- Equities of housing and allied businesses (~80-85%)
- Debt and Money Market Instruments (~15-20%)

Asset Allocation Pattern (Under normal circumstances, the asset allocation of the scheme’s portfolio will be as follows):

Type of Instruments	Min. Allocation (% of Net assets)	Max. Allocation (% of Net assets)	Risk Profile of the Instrument
Equity and Equity Related in Housing and Allied Activities	70%	100%	Medium to High
Equity and Equity Related in other than Housing and Allied Activities	0%	30%	Medium to High
Debt and Money Market Instruments	0%	30%	Medium to High
Units issued by REITs and INvITs	0%	10%	Medium to High

Performance of other funds managed by Mr. Srinivas Rao Ravuri (fund manager of HDFC Housing Opp Scheme) compared to the respective benchmark:

Scheme Name	NAV*	Corpus	Trailing Return					
			1 Month Absolute	6 Months Absolute	1 Year CAGR	3 Years CAGR	5 Years CAGR	Since Inception CAGR
HDFC Infrastructure Fund (G)	21.63	1179.06	15.40	12.96	27.06	11.79	16.13	8.33
Nifty 500			6.57	11.57	22.18	11.72	15.67	14.09
HDFC Growth Fund (G)	184.86	1101.15	8.75	13.04	23.5	13.07	15.75	18.55
S&P BSE Sensex			6.34	11.19	19.1	6.74	12.53	15.37
HDFC Focused Equity Fund - Plan A (G)	13.03	181.80	8.52	12.30	22.09	NA	NA	NA
HDFC Focused Equity Fund - Plan B (G)	13.97	523.05	8.49	12.5	22.69	NA	NA	NA
S&P BSE 100			6.15	11.67	20.95	NA	NA	NA

*as on 30th Oct 2017

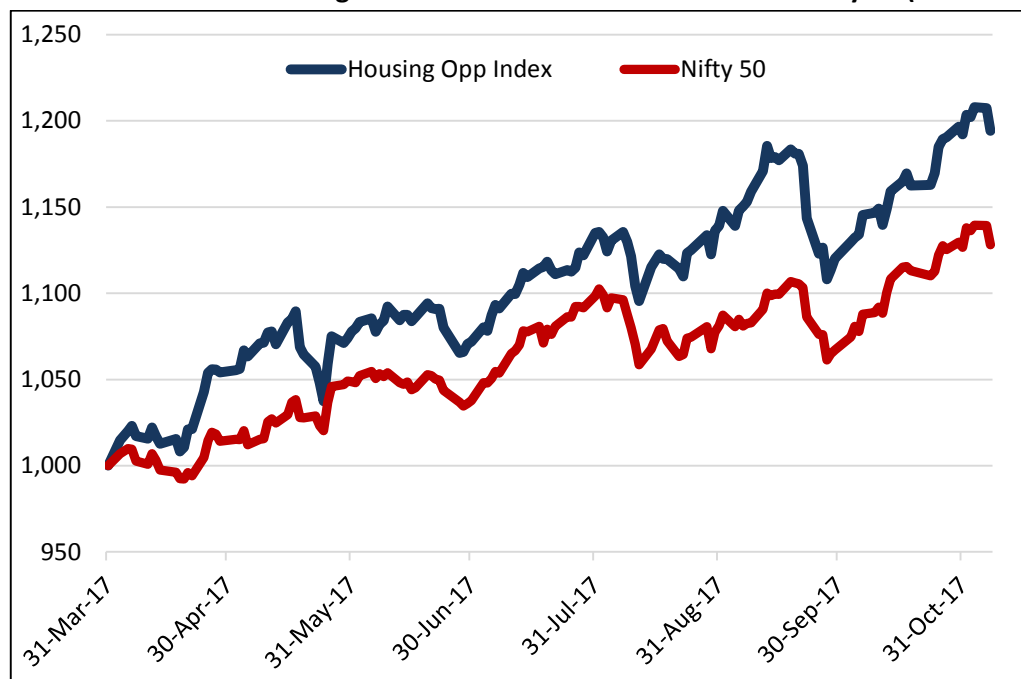
About the India Housing and Allied Businesses Index (benchmark index):
Index constructed by: India Index Services and Products Limited (IISL)

Index Base Date: 31st March, 2017

Number of Stocks: minimum 50 stocks

Stock-wise max weight: 10%

Sector-wise max weight: 20%

Movement of India Housing and Allied Businesses Index vis-à-vis Nifty 50 (since 31st March, 2017):


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Disclosure:

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Any holding in stock – Yes/ No

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