

Presenting

HDFC Top 200 Fund

(An Open-Ended Growth Scheme)

Table of Contents

- Product Rationale and Investment Strategy
- Portfolio Composition
- Product Features and Asset Allocation Pattern
- Performance, Risk Ratios and Fund Rating
- Fund Suitability
- Disclaimer

Investment Styles

- **Active Management:** Refers to the use of a human element, such as a single manager, co-managers or a team of managers, to actively manage a fund's portfolio. They rely on analytical research, forecasts and their own judgement and experience in making investment decisions. They believe it is possible to profit from the stock market through any number of strategies that aim to identify mispriced securities
- **Passive Management:** An investing strategy that mirrors a market index and does not attempt to beat the market

Product Rationale

- In the nature of an Index + Fund (active + passive); internal guidelines of matched positions with the index (refer slides 7&8)
- Focus on GARP (growth at reasonable price) for active positions
- Limited exposure to mid-caps; avoids large individual positions in mid-caps
- Offers portfolio diversification comparable to market indices, but has superior historic returns*

*Past performance may or may not be sustained in future
Please refer relative performance table on slide 16.

Investment Strategy

- The investment portfolio for equity and equity linked instruments will be primarily drawn from the companies in the BSE 200 Index
- The fund may also invest in listed companies that would qualify to be in the top 200 by market capitalisation on the BSE even though they may not be listed on the BSE
- This includes participation in large IPO's wherein the market capitalisation of the company based on issue price would make the company a part of the top 200 companies listed on the BSE based on market capitalisation

Investment Strategy

- The fund seeks to invest in higher quality, competitive, sustainable businesses by primarily restricting the equity portfolio to the BSE 200 Index scrips; this is intended to reduce risks while maintaining steady growth
- Focuses on secular growth companies compared to cyclicals; this strategy reduces risk on one hand and improves chances of positive returns over the long term

Investment Strategy (Matching Principle)

- There are primarily two sources of returns for a fund – Index returns and returns from active management; over periods of time, index returns are expected to form a large portion of total returns
- The fund targets to capture a large part of index returns by maintaining around 60% of the portfolio in matched positions with the BSE 200 index; positions are not matched on a stock-to-stock basis but on an aggregate level
- Active management in the scheme is done on two level:
 - Selection of matched positions
 - Selection of the balanced portfolio
- Selection of the matched positions with the index and the selection of other active positions are aimed to deliver returns above the BSE 200 index without increasing the risk to the levels of active managed funds

Matching Explained (An illustration)

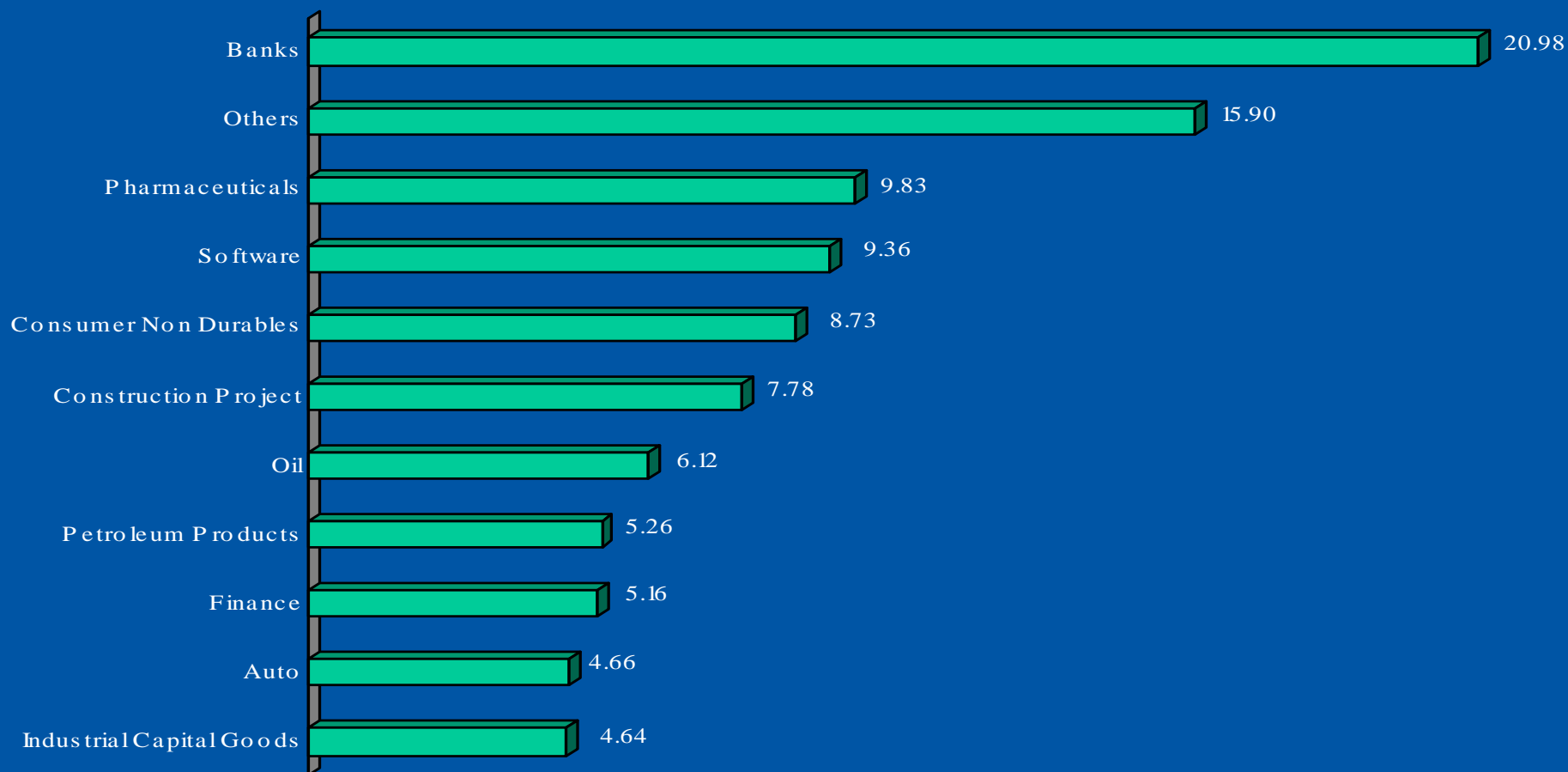
Name of the Company	Weight in BSE 200 (%)	% of NAV*	Matched Weight (%)
ONGC	2.70	1.86	1.86
HDFC	3.56	3.25	3.25
SBI	3.16	4.57	3.16
ITC	4.55	1.74	1.74
⋮ 200		⋮ ~ 50	
			~ 60%

Portfolio Composition

(As on December 31, 2009)

Industry Allocation - % of Net Assets

(As at December 31, 2009)



Others include: Power (2.80%), Transportation (2.49%), Media & Entertainment (2.07%), Ferrous Metals (2.05%), Telecom – Services (2.01%), Gas (1.45%), Diversified (1.22%), Auto Ancillaries (1.06%), Hardware (0.52%), Cement (0.18%), Pesticides (0.05%)

Portfolio Composition

(As at December 31, 2009)

	% to Net Assets
Top 10 equity holdings	42.19
Total Equity & Equity Related Holdings	98.42
Cash margin / Earmarked cash for Futures & Options	0.41
Cash, Cash Equivalents and Net Current Assets	1.17
Grand Total	100.00
Net Assets (Rs. In crore)	6,066.31
No. of companies in the portfolio*	69

Product Features

Type of Scheme	Open-ended Growth Scheme
Inception Date (Date of allotment)	October 11, 1996
Investment Objective	To generate long term capital appreciation from a portfolio of equity and equity-linked instruments primarily drawn from the companies in the BSE 200 index
Fund Manager \$	Prashant Jain (since June 19, 2003)*
Options	Growth and Dividend – The Dividend Option offers Dividend Payout and Reinvestment facility
Minimum Application Amount (Under Each Option)	Purchase: Rs. 5,000 and any amount thereafter Additional Purchase: Rs. 1,000 and any amount thereafter
Load Structure	<p>Entry Load: Not Applicable. Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor. Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder.</p> <p>Exit Load:</p> <ul style="list-style-type: none"> ■ In respect of each purchase / switch-in of units, an exit load of 1.00% is payable if units are redeemed / switched – out within 1 year from the date of allotment ■ No exit load is payable if units are redeemed / switched – out after 1 year from the date of allotment
Benchmark	BSE 200

*Date of migration from Zurich India Mutual Fund.

\$ Dedicated Fund Manager for Overseas Investments: Anand Ladha



Asset Allocation Pattern

Under normal circumstances, the asset allocation of the scheme's portfolio will be as follows:

Types of Instruments	Normal Allocation (% of Net Assets)	Risk Profile
Equity & Equity linked	Upto 100% (including use of derivatives for hedging and other uses as permitted by prevailing SEBI Regulations)	Medium to High
Debt and money market instruments*	Balance in debt and money market instruments	Low to medium

*Investment in Securitised debt, if undertaken, would not exceed 20% of the net assets of the Scheme. The scheme may seek investment opportunity in the ADR / GDR / Foreign Equity and Debt Securities (max. 40% of net assets) subject to SEBI (Mutual Funds) Regulations, 1996. The scheme may use derivatives mainly for the purpose of hedging and portfolio balancing (max 25% of net assets) based on the opportunities available subject to SEBI (Mutual Funds) Regulations, 1996.

Performance & Fund Rating

(As on December 31, 2009)

Relative Performance

HDFC Top 200 Fund (Growth Option)

(As on December 31, 2009)

The fund has outperformed its benchmark in all of the following time periods^

Period	Returns (%) \$\$ ^	BSE 200 Returns (%) #
Last 1 Year (365 Days)	94.46*~	88.51*
Last 3 Years (1098 Days)	17.91**	9.58**
Last 5 Years (1826 Days)	28.48**	19.71**
Last 10 Years (3654 Days)	24.22**	13.90**
Since Inception (4829 Days)	26.32**	15.79**

^ **Past performance may or may not be sustained in the future**

** Compounded Annualized Returns * Absolute Returns # Benchmark Index

~ Due to an overall sharp rise in the stock prices

\$\$ Adjusted for the dividends declared under the scheme prior to its splitting into the Dividend and Growth Options.

Inception Date – October 11, 1996



Systematic Investment Plan Returns

(As on December 31, 2009)

This is how your investments would have grown if you had invested say Rs. 1,000 systematically on the first business day of every month over a period of time.

	Since Inception \$	10 Years	5 Years	3 Years	1 Year
Total Amount Invested (Rs.)	159,000	120,000	60,000	36,000	12,000
Market Value (Rs.)	1,334,382.03	696,049.84	117,344.37	54,527.98	17,716.46
Returns (annualised) (%) *	28.90	33.01	27.18	28.88	98.71
Benchmark Returns (annualised) (%) #	18.81	22.05	18.93	19.75	91.62

Past Performance may or may not be sustained in the future.

BSE 200 \$ Inception Date: October 11, 1996

*Load is not taken into consideration and the Returns are of Growth Option. Investors are advised to refer to Relative Performance table on slide 15 for Non – SIP Returns

Disclaimer: The above investment simulation is for illustration purpose only and should not be construed as a promise on Minimum returns and safeguard of capital. HDFC Mutual Fund / HDFC Asset Management Company Ltd. Is not guaranteeing Or promising or forecasting any returns. SIP does not assure a profit or guarantee protection against loss in a declining market. Entry / Exit Load is not taken into consideration in the above investment simulation. Please refer SIP enrolment form or contact nearest ISC for SIP load structure.



Dividend History

Record Date	Cum Dividend NAV per Unit (Rs.)	Dividend ^ Per Unit (Rs.)
January 7, 2000	25.810	2.50
March 24, 2000	24.810	2.50
August 25, 2000	16.030	2.10
February 23, 2001	13.840	2.00
March 15, 2002	12.440	1.20
July 15, 2003	16.272	2.00
October 31, 2003	19.899	2.50
March 8, 2004	21.959	1.50
December 15, 2004	24.066	3.00
February 17, 2006	36.409	4.50
February 7, 2007	42.968	5.00
February 7, 2008	48.129	5.00
March 5, 2009	23.364	3.00

^Past performance may or may not be sustained in the future.

All dividends are on face value of Rs. 10 per unit. After payment of the dividend, the per Unit NAV will fall to the extent of the payout and Statutory levy (if applicable)



Fund Rating

- Value Research Rating - * * * * * in Equity – Diversified Category (153 schemes) for 3 and 5 year periods ending December 31, 2009*
- Five – stars indicate that fund is in the top 10 per cent of its category in terms of historical risk – adjusted returns

***Past performance is no guarantee of future results.
Please refer to the last slide on rating methodology.**

Fund Suitability

Why HDFC Top 200 Fund?

- The fund is by design well diversified, hence is a lower risk product compared to less diversified funds
- Well defined investment universe primarily comprising BSE 200 companies and Top 200 capitalised companies ONLY supports good quality of portfolio, which also reduces risk
- Well established track record of over a decade with consistent above average performance*

*Past performance may or may not be sustained in future
Please refer relative performance table on slide 15.



HDFC Top 200 Fund is suitable for investors:

- Looking for a large cap oriented, well diversified core holding within their mutual fund portfolio
- Preferring a active + passive investment management approach
- Preferring a fund with a disciplined investment strategy by mandate
- Planning for long term financial goals such as retirement, children's education and marriage etc.

- **DISCLAIMER:** This presentation has been prepared and issued on the basis of internal data, publicly available information and other sources believed to be reliable. The information contained in this document is for general purposes only and not a complete disclosure of every material fact and terms and conditions and features of HDFC Top 200 Fund. The information/ data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy. It should not be construed as investment advice to any party. The statements contained herein may include statements of future expectations and other forward-looking statements that are based on our current views and assumptions 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. The recipient alone shall be fully responsible / liable for any decision taken on the basis of this presentation. The content of this presentation is confidential and intended solely for the use of the addressee. If you are not the addressee, or the person responsible for delivering it to the addressee, any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it is prohibited and may be unlawful. No part of this document may be duplicated in whole or in part in any form and/or redistributed without prior written consent of the HDFC Mutual Fund/ HDFC Asset Management Company Limited. The recipient(s) should before investing in the Scheme(s) make his/their own investigation and seek appropriate professional advice.

- **Value Research Fund Ratings – Rating Methodology**

Value Research Fund Ratings are a composite measure of historical risk-adjusted returns. In the case of equity and hybrid funds this rating is based on the weighted average monthly returns for the last 3 and 5-year periods. These ratings do not take into consideration any entry or exit load. Each category must have a minimum of 10 funds for it to be rated. Effective, July 2008, we have put an additional qualifying criteria, whereby a fund with less than Rs 5 crore of average AUM in the past six months will not be eligible for rating.

Five-stars indicate that a fund is in the top 10% of its category in terms of historical risk-adjusted returns. Four stars indicate that a fund is in the next 22.5%, middle 35% receive three stars, the next 22.5% are assigned two stars while the bottom 10% receive one star. The number of schemes in each category is mentioned in Equity Diversified Category are 153. These Fund Ratings are as on December 31, 2009. The Value Research Ratings are published in Monthly Mutual Fund Performance Report and Mutual Fund Insight. The Ratings are subject to change every month. The Rating is based on primary data provided by respective funds, Value Research does not guarantee the accuracy.

- **Risk Factors:** All mutual funds and securities investments are subject to market risks and there can be no assurance that the Scheme's objectives will be achieved and the NAV of the Scheme may go up or down depending upon the factors and forces affecting the securities market. Past performance of the Sponsors and their affiliates / AMC / Mutual Fund and its Scheme(s) do not indicate the future performance of the Scheme of the Mutual Fund. There is no assurance or guarantee to unit holders as to the rate of dividend distribution nor that dividends will be paid regularly. Investors in the Scheme are not being offered any guaranteed / assured returns. The NAV of the units issued under the Scheme may be affected, inter-alia by changes in the interest rates, trading volumes, settlement periods, transfer procedures and performance of individual securities. The NAV will inter-alia be exposed to Price / Interest Rate Risk and Credit Risk. **HDFC Top 200 Fund**, an open-ended growth scheme, is only the name of the scheme and does not in any manner indicate either the quality of the Scheme, its future prospects and returns. Please read the Scheme Information Document and Statement of Additional Information before investing. **Investment Objective:** To generate long-term capital appreciation from a portfolio of equity and equity linked instruments primarily drawn from the companies in BSE 200 Index. **Asset Allocation Pattern:** Equity and equity linked instruments (upto 100%) and balance in debt & money market instruments. Investment in securitised debt, if undertaken, will not exceed 20% of the net assets of the Scheme. **Terms of Issue:** Applications for subscriptions/redemptions/switches would be accepted at official points of acceptance on all Business Days at NAV based prices. The AMC will calculate and publish NAV on all Business Days. **Load Structure:** Entry Load: **Not Applicable.** Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor. Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder. **Exit Load:** In respect of each purchase / switch – in of units, an exit load of 1.00% is payable if units are redeemed / switched – out from the date of allotment. No exit load is payable if units are redeemed / switched – out after 1 year from the date of allotment. **Statutory Details:** HDFC Mutual Fund has been set up as a trust sponsored by Housing Development Finance Corporation Limited and Standard Life Investments Limited (liability restricted to their contribution of Rs. 1 lakh each to the corpus) with HDFC Trustee Company Limited as the Trustee (Trustee under the Indian Trusts Act, 1882) and with HDFC Asset Management Company Limited as the Investment Manager.

Thank You