

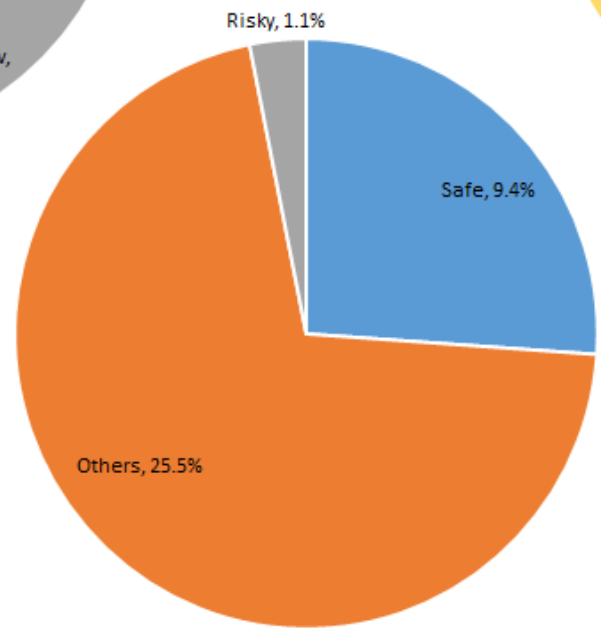
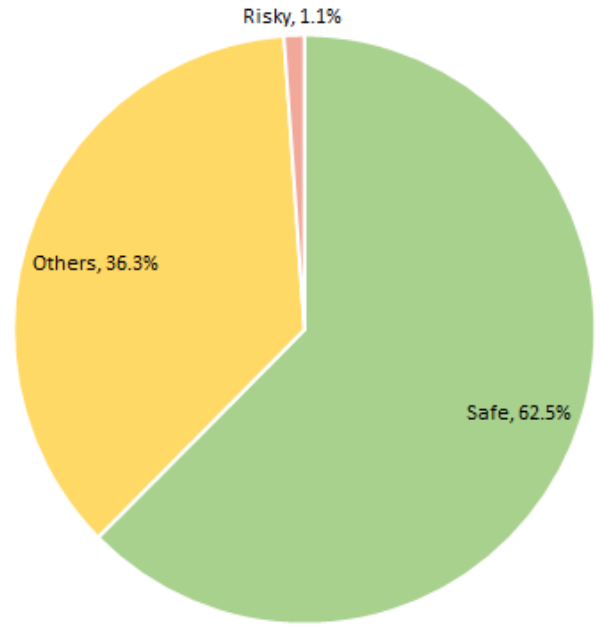
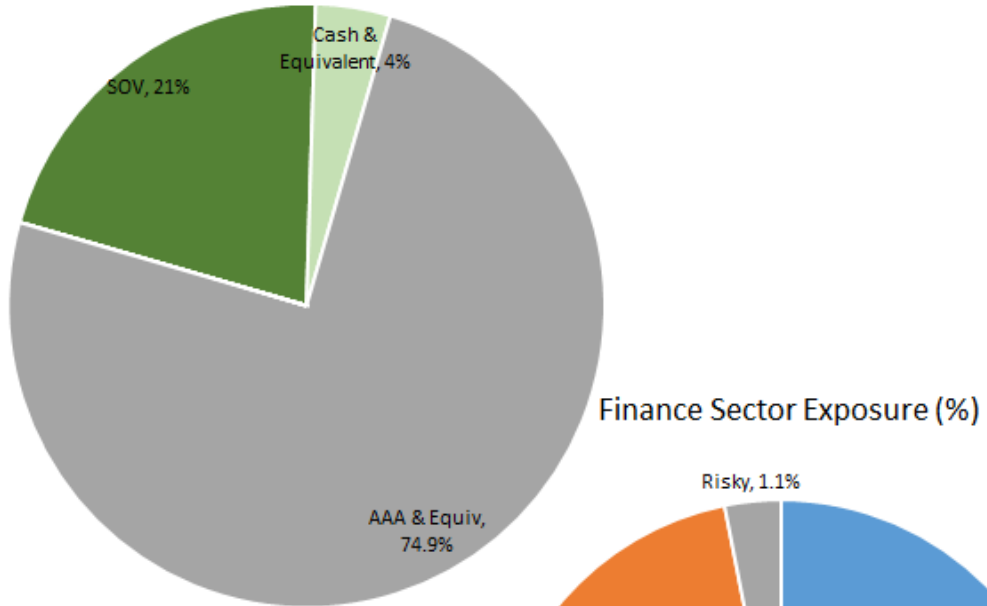
HDFC Corp Bond Fund

Fund Name:	HDFC Corporate Bond Fund
Category:	Corporate Bond
Fund Manager:	Mr. Anupam Joshi (Since Oct-2015)
Inception Date:	29-Jun-2010
Expense Ratio:	0.60%
AUM (in Crores):	INR 28,109 Cr.
AUM Trend:	Stable
Portfolio:	31-December-2021
Benchmark:	Nifty Corporate Bond Index
YTM:	5.5%
Modified Duration:	2.64 Years

‘Corporate Fund’ is the category of debt funds that invests minimum 80% of its portfolio in the highest-rated corporate bonds.

HDFC Corporate Bond Fund has lower expense ratio than the category median (0.65%).

Particulars	Attributes	Remarks
Credit Quality	Good Average Poor	~63% of portfolio is in 'Safe' instruments and the fund lies in Q3 based on net-safe ranking.
Cost	Low Reasonable High	Fund has lower expense ratio of 0.60% than the category median (0.65%).
AUM	Large Reasonable Low	Fund has the largest AUM in the category.
Performance	Good Average Poor	Fund has performed well in timeframe of 1 to 5 years when declining interest rates and relatively higher duration of the fund worked in its favor. In recent times, with upward movement in yields and high duration, fund reported average returns.
Strategy	Aggressive Moderate Conservative	Average portfolio credit quality and mostly active call on duration. Over last 1 year, fund has maintained its 'Safe' allocation lower than that of category average.
Final Advice	Hold	Largest fund in terms of corpus, average portfolio credit quality and cost.



~63% of the portfolio is invested in 'Safe' instruments.

~1% exposure to 'Risky' papers which entirely forms part of finance sector (PSUs).

Sr No	Fund Name	Net Safe	AUM (in Cr.)
1	L&T Triple Ace Bond Fund-Reg(G)	1	9,777
2	Franklin India Corp Debt Fund-A(G)	2	822
3	Sundaram Corp Bond Fund(G)	3	1,067
4	Tata Corp Bond Fund-Reg(G)	4	574
5	Canara Rob Corp Bond Fund-Reg(G)	5	261
6	DSP Corp Bond Fund-Reg(G)	6	2,096
7	IDFC Corp Bond Fund-Reg(G)	7	19,999
8	HSBC Corporate Bond Fund-Reg(G)	8	230
9	UTI Corporate Bond Fund-Reg(G)	9	4,431
10	Mirae Asset Corp Bond Fund-Reg(G)	10	128
11	Union Corporate Bond Fund-Reg(G)	11	448
12	HDFC Corp Bond Fund(G)	12	28,109
13	ICICI Pru Corp Bond Fund(G)	13	19,104
14	SBI Corp Bond Fund-Reg(G)	14	22,576
15	Kotak Corporate Bond Fund(G)	15	10,768
16	Aditya Birla SL Corp Bond Fund(G)	16	19,392
17	Invesco India Corporate Bond Fund(G)	17	3,489
18	Axis Corp Debt Fund-Reg(G)	18	4,697
19	Nippon India Corp Bond Fund(G)	19	3,865

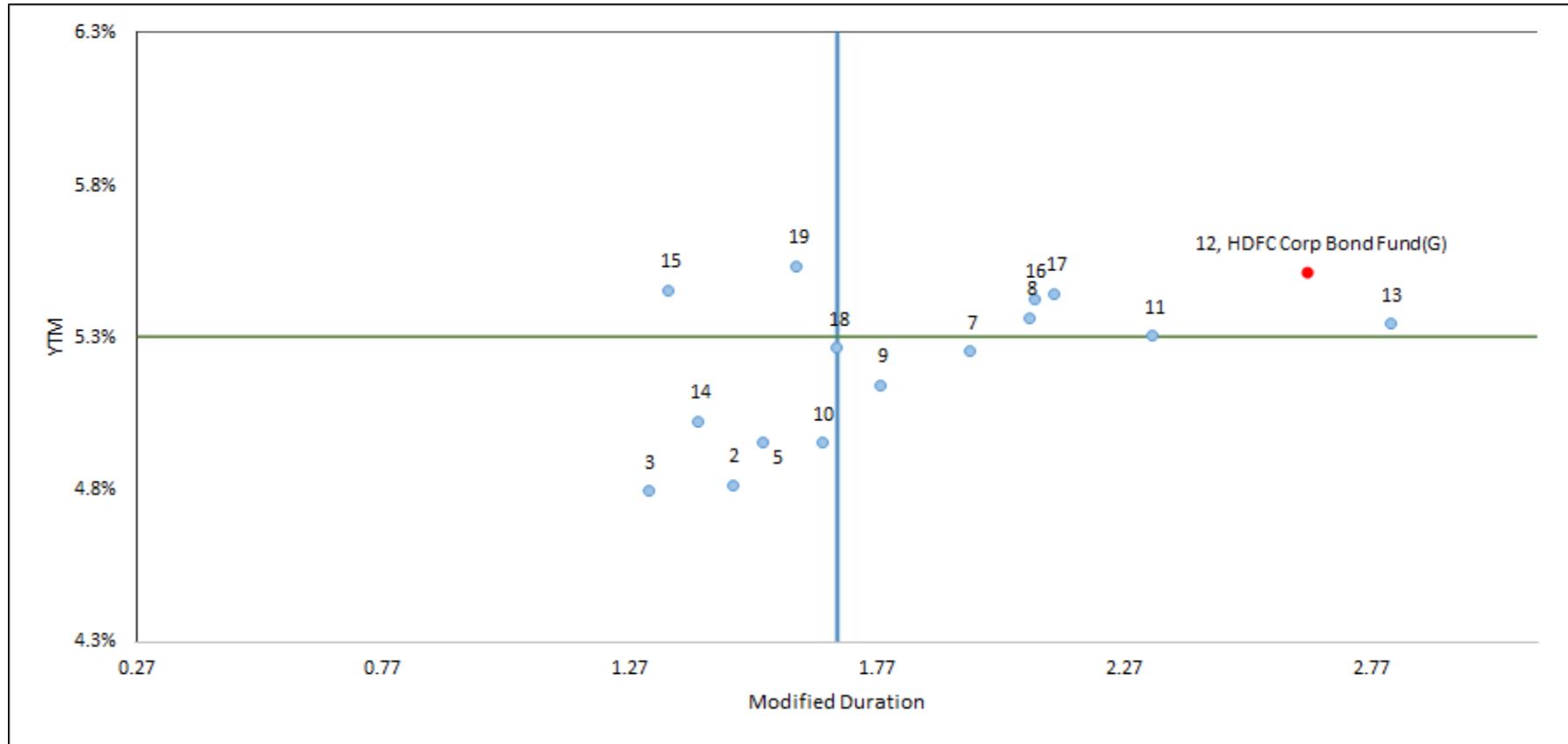
'Net Safe' means allocation to 'Safe' instruments in excess of 'Risky' instruments.

In the category, HDFC Corp Bond Fund lies in the 3rd quartile.

Category	Fund Name	Safe							Difference
		30-Jun-21	31-Jul-21	31-Aug-21	30-Sep-21	31-Oct-21	30-Nov-21	31-Dec-21	
Corporate Bond	HDFC Corp Bond Fund(G)	59.1%	59.0%	60.4%	61.1%	61.1%	61.1%	62.5%	3.4%
Category	Fund Name	Risky							Difference
		30-Jun-21	31-Jul-21	31-Aug-21	30-Sep-21	31-Oct-21	30-Nov-21	31-Dec-21	
Corporate Bond	HDFC Corp Bond Fund(G)	1.2%	1.2%	1.2%	1.1%	1.1%	1.1%	1.1%	-0.1%

We have tracked movement in historical portfolio quality.

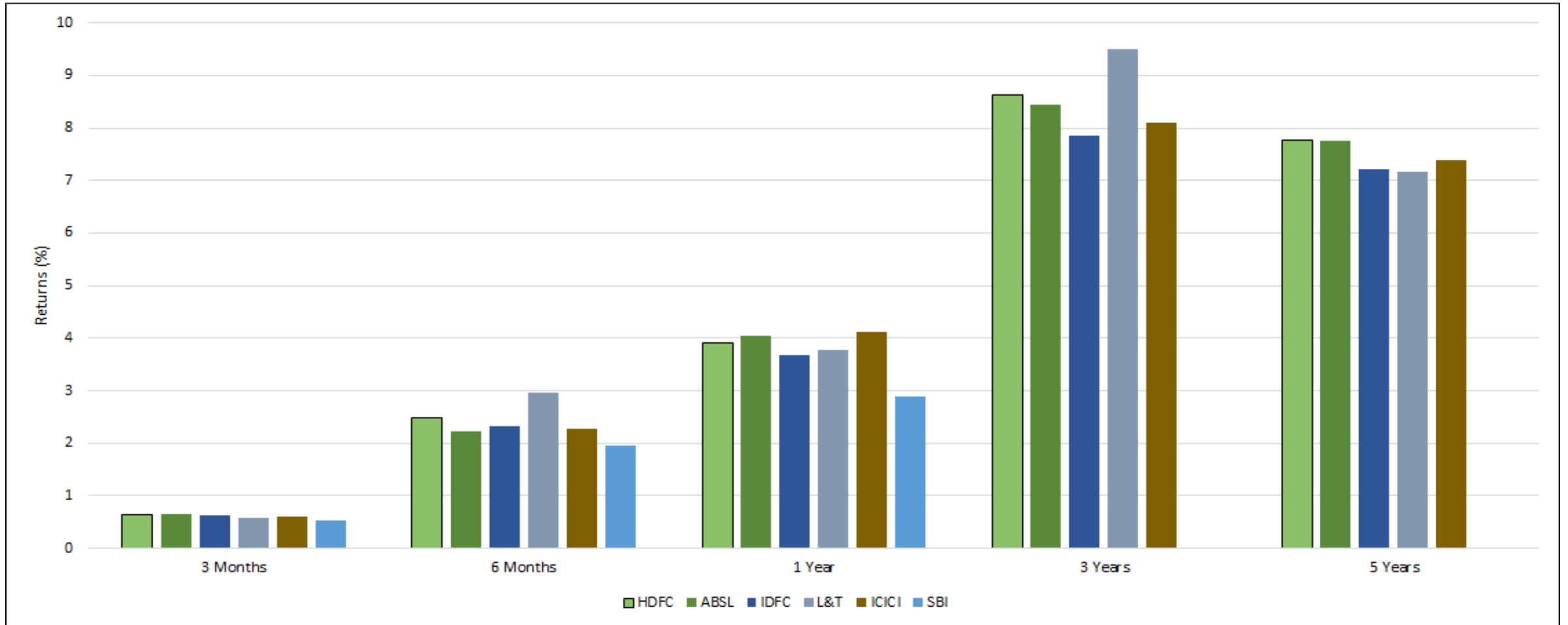
Overall, portfolio quality has marginally increased its exposure to ‘Safe’ papers and has similar exposure to ‘Risky’ papers over last 6 months.



HDFC Corp Bond Fund has both duration and YTM higher than category median.

In above chart, Blue Line depicts category median Duration and Green Line depicts category median YTM. Numbers around dots indicate fund rank based on 'Net Safe' allocation.

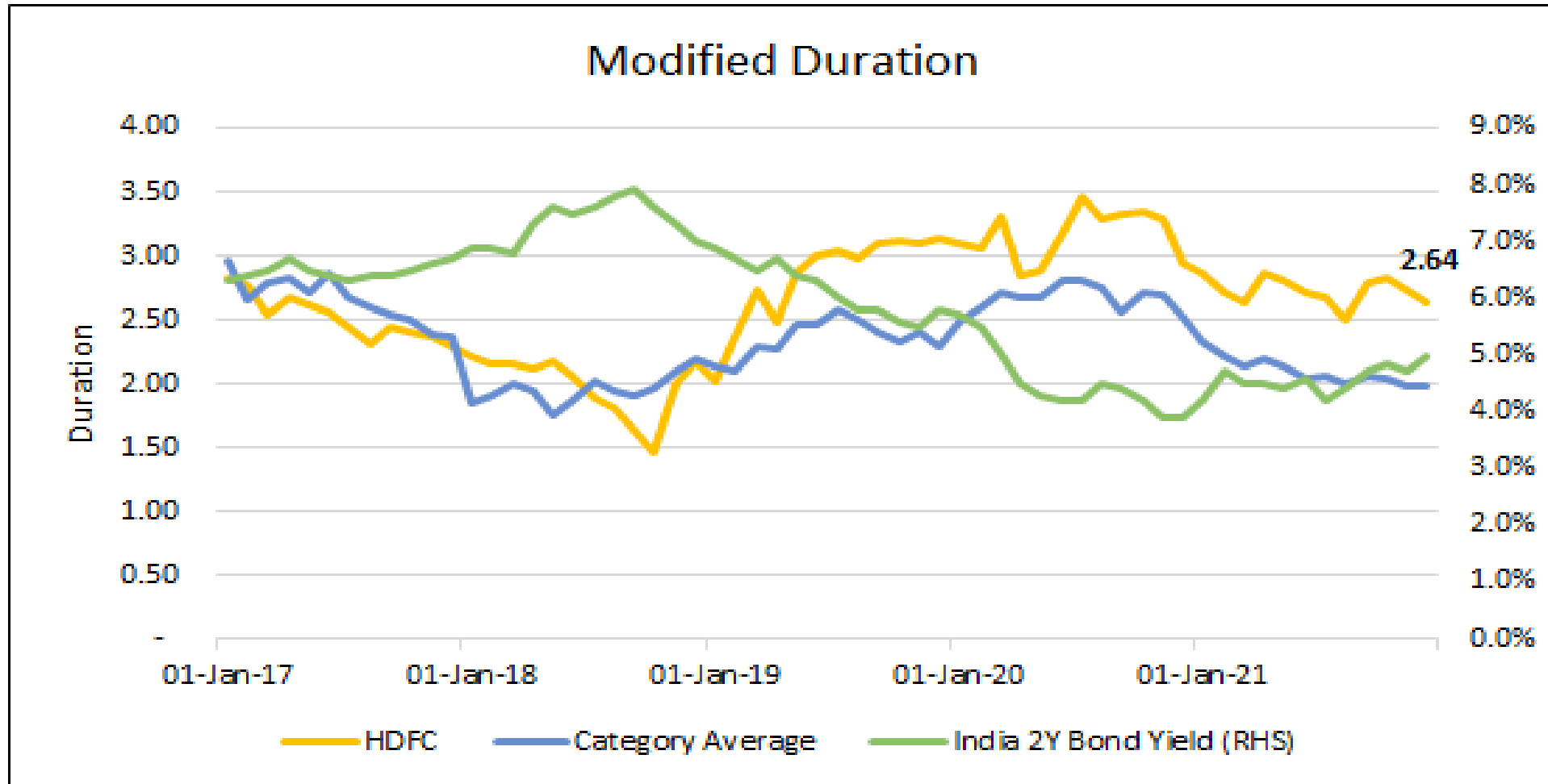
Note: L&T Triple Ace Fund is on extreme right (outside this chart), due to its higher modified duration (5.1 y) and thus higher YTM (6.4%).



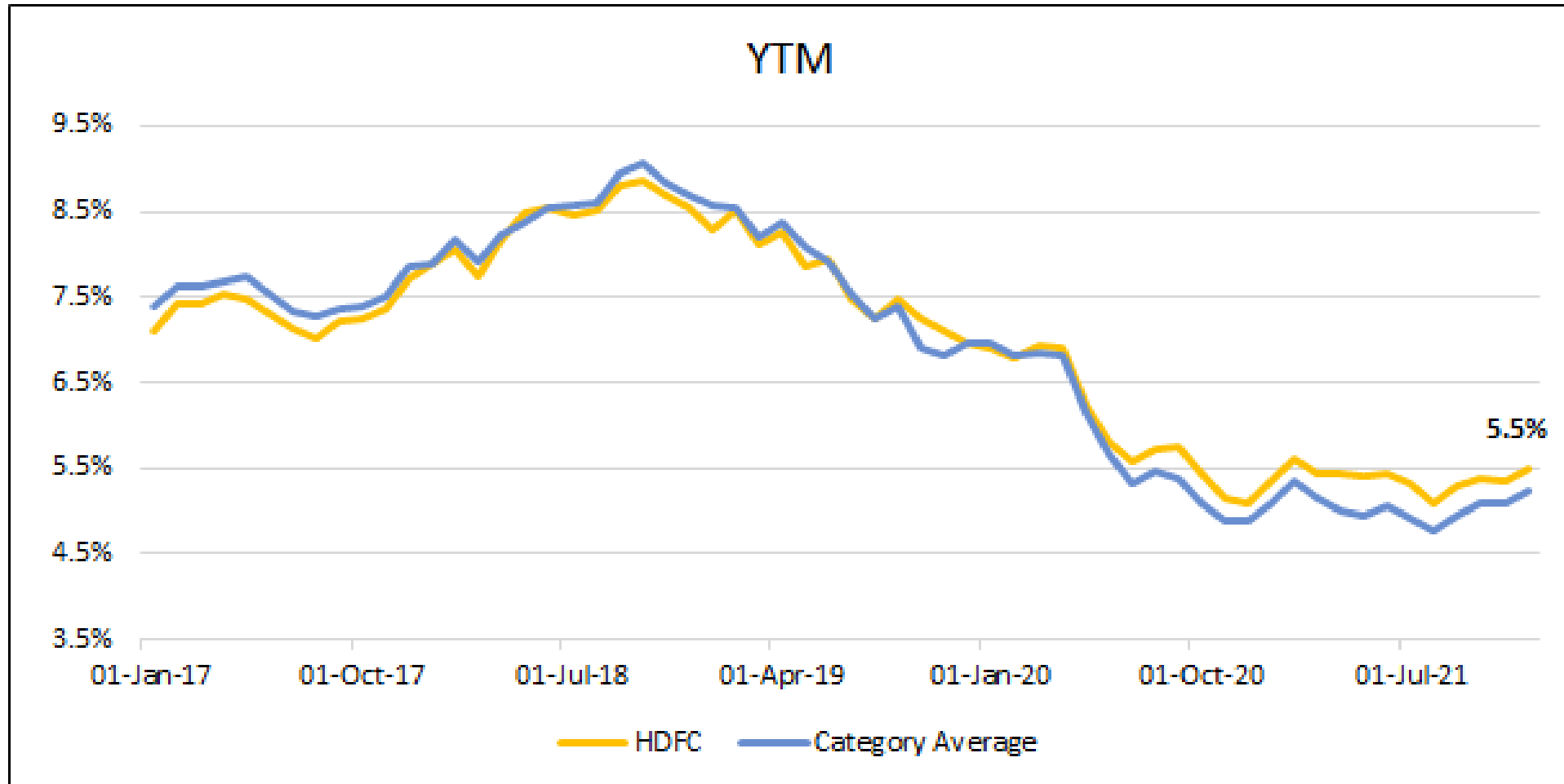
Performance till 31-December-2021.

Over longer timeframe (6 months & above), HDFC Corp Bond Fund is in 1st quartile. However, in last 1 to 3 months, the fund's performance has deteriorated. The combination of yields going up in last 9 months and fund having duration higher than category average, has resulted in average performance in recent times.

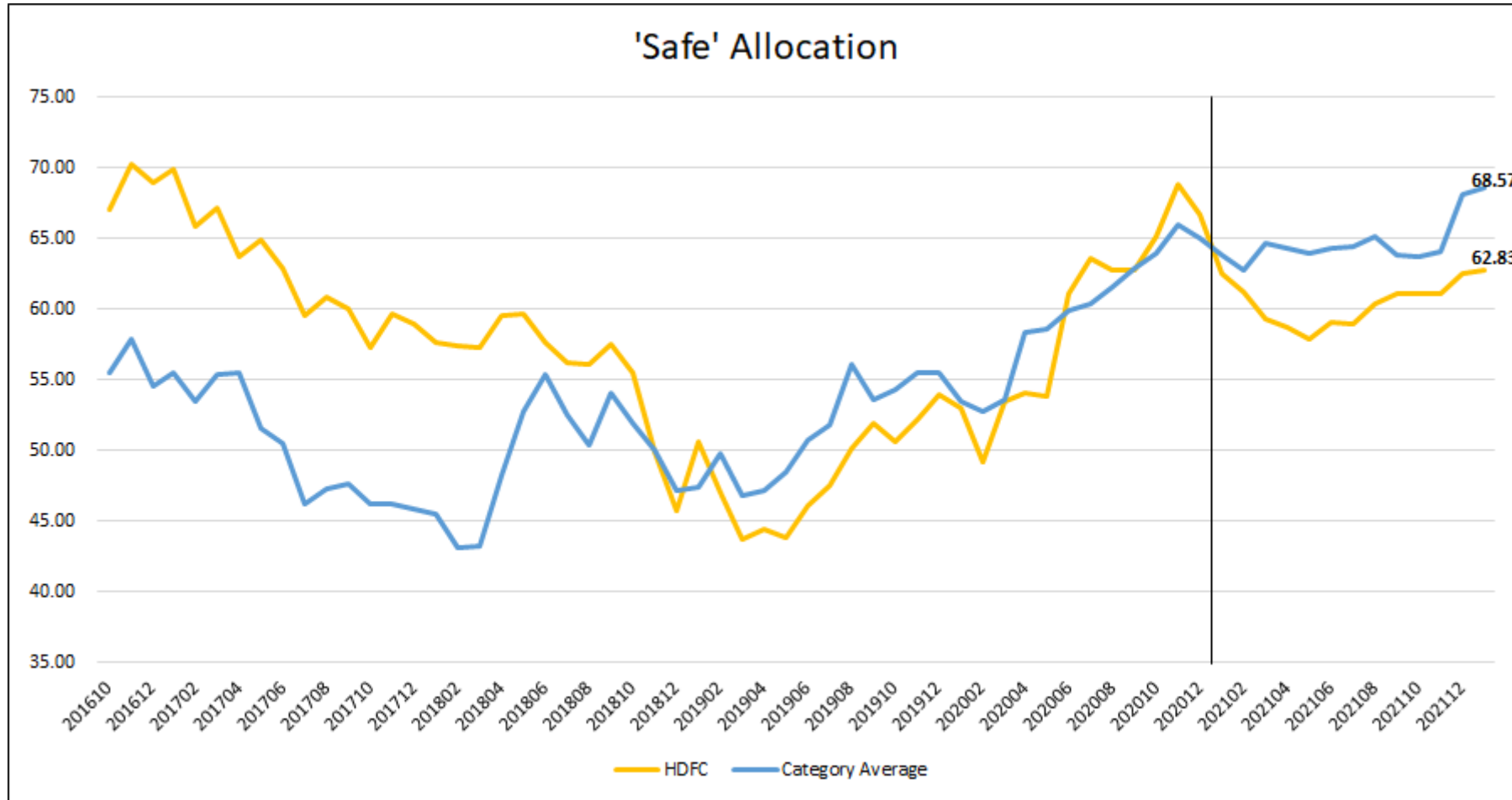
Annexure



Historically, HDFC Corporate Bond Fund has kept its duration higher than category average in last 2 years.



HDFC Corp Bond Fund YTM has remained in-line with the category average. However, over the last 1.5 years the YTM of the fund has been higher than the category. This could be due to lower exposure to safe compared to the category



Historically, 'Safe' allocation had remained higher and then in line with the category average, however, 'Safe' allocation decline is evident since last 1 year.

- MA: Multi-Act.
- EV- Economic Value (Debt + Market Cap)
- YTM – Yield to Maturity
- Modified Duration – It formulates the measurable change in the value of security in response to change in interest rate.
- Safe - Exposure to SOV, Quasi-SOV (Govt. backed instruments) and Cash
- Risky- Defaults, Non-Finance companies with leverage/debt-to-equity above 3,
Net Safe – Calculated in % terms by deducting risky assets% from safe assets%.
Finance companies with leverage above 10 and net NPA above 3%, and Below AAA and financials not available.
- Skill vs Luck - "Skill" is measured comparing return earned and CAPM expected return. "Luck" is measured using series of returns derived after reducing "Skill" part from actual returns.
- Data Source - Fact set, Ace MF, Valueresearchonline.com, Multi-Act Proprietary Data.
- Number of funds covered under the particular category.

Category	Count
Medium Duration	12
Corporate Bond	16
Dynamic Bond	16
Short Duration	22
Money Market	16
Banking and PSU Fund	16
Credit Risk Fund	17
Liquid	34
Medium to Long Duration	10
Ultra Short Duration	20
Low Duration	21
Overnight Fund	26

Statutory Details: -

Multi-Act Trade and Investments Private Limited

(SEBI Registered Investment Adviser - Registration No. INA000008589)

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