

Gold and Silver

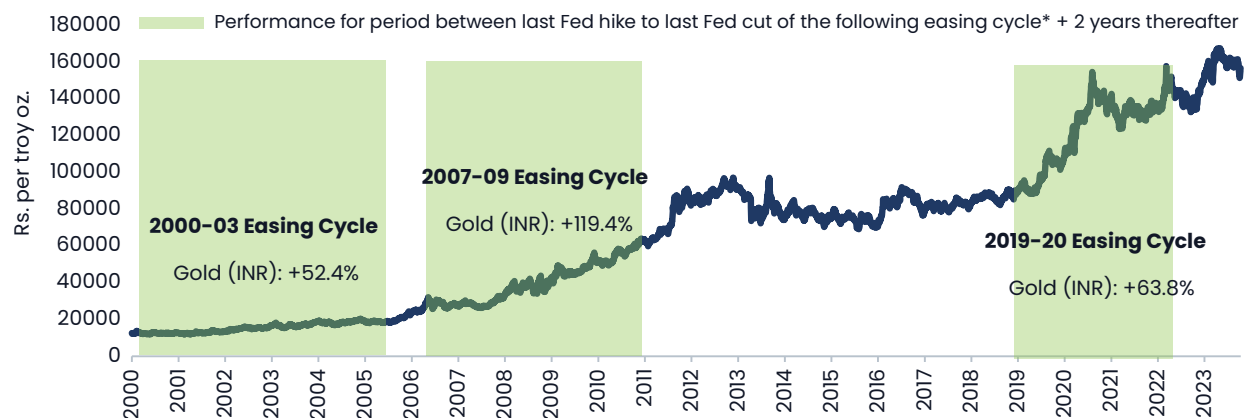
Watching the Fed Closely



Interest rates are one of the factors driving the price of precious metals. The table and chart below show how much precious metals increased in price over the period when the Fed made the last interest rate hike of a given cycle, to 2 years after the Fed made the last cut of the following easing cycle[@]. **While the timing of when the Fed begins easing in this cycle (i.e. cutting rates) is uncertain**, we observe that historically **gold and silver perform particularly well during easing cycles**.

[@] Central Banks hike interest rates to slow growth and control inflation. After a hiking cycle, central banks often need to cut rates next i.e. start an easing cycle, to stimulate the economy if it slows too much

Gold price (in INR)



Performance for period between last Fed hike to last Fed cut of the following easing cycle + 2 years thereafter

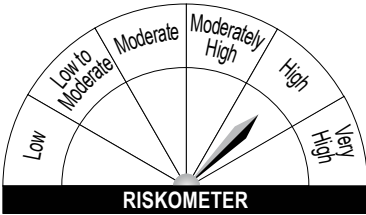
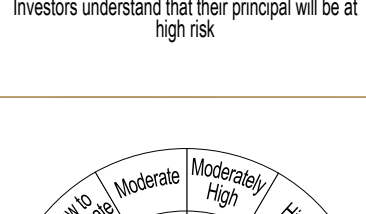
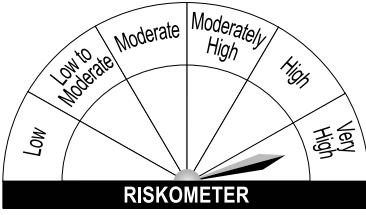
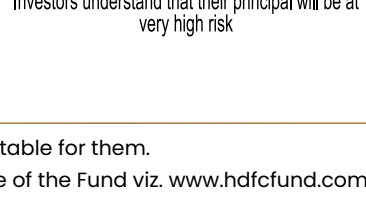
Easing cycle	Gold (INR)	Silver (INR)
2000-2003	52.4%	37.0%
2007-2009	119.4%	158.5%
2019-2020	63.8%	75.5%

Source: Bloomberg, internal calculations. Gold and silver prices in INR do not include any customs duties, local taxes etc. Returns are simple i.e. not annualized. HDFC AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns *For example, the shaded period for the 2019-20 easing cycle refers to the period between Dec 2018 to Mar 2022. The breakup is as follows – for 2019-20 cycle, the last Fed hike was in Dec 2018, the last Fed cut of the following easing cycle was March 2020 and 2-year period after the last Fed cut ended in Mar 2022.

Investors can get exposure to Gold and Silver through the following products

Scheme Name	SIP possible
HDFC Gold ETF NSE/BSE Symbol: HDFCGOLD BSE Scrip Code: 533230	Yes, most brokers allow SIP into ETFs
HDFC Silver ETF NSE/BSE Symbol: HDFCSILVER BSE Scrip Code: 543592	Yes, most brokers allow SIP into ETFs
HDFC Gold Fund[^]	Yes
HDFC Silver ETF FOFA[^]	Yes
[^] Investors in the Scheme shall bear the recurring expenses of the Scheme in addition to the expenses of other schemes in which this Fund of Funds scheme makes investment (subject to regulatory limits).	

Clients may add exposure to Gold and Silver through SIPs as described above, or on corrections for lumpsum investments

Name of Scheme / Investment Plan	This product is suitable for investors who are seeking*:	SCHEME RISKOMETER#
HDFC Gold Exchange Traded Fund An open ended scheme replicating/tracking performance of Gold. NSE/BSE Symbol: HDFCGOLD BSE Scrip Code: 533230	<ul style="list-style-type: none"> Returns that are commensurate with the performance of gold, subject to tracking errors, over long term Investment predominantly in Gold bullion of 0.995 fineness 	 <p>RISKOMETER Investors understand that their principal will be at high risk</p>
HDFC Gold Fund An open ended Fund of Fund scheme investing in HDFC Gold Exchange Traded Fund.	<ul style="list-style-type: none"> Capital appreciation over long term Investment in Units of HDFC Gold Exchange Traded Fund (HGETF). HGETF invests in gold bullion of 0.995 fineness 	 <p>RISKOMETER Investors understand that their principal will be at high risk</p>
HDFC SILVER ETF An open ended Exchange Traded Fund (ETF) replicating/tracking performance of Silver. NSE/BSE Symbol: HDFCSILVER BSE Scrip Code: 543592	<ul style="list-style-type: none"> Returns that are commensurate with the performance of silver, subject to tracking errors, over long term. Investment in Silver bullion of 0.999 fineness. 	 <p>RISKOMETER Investors understand that their principal will be at high risk</p>
HDFC SILVER ETF FUND OF FUND (An open ended Fund of Fund scheme investing in HDFC Silver ETF)	<ul style="list-style-type: none"> Capital appreciation over long term. Investment in Units of HDFC Silver ETF (HSETF). HSETF invests in Silver and Silver related instruments. 	 <p>RISKOMETER Investors understand that their principal will be at very high risk</p>
<p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> <p># For latest riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. www.hdfcfund.com</p>		

Note: Investors in HDFC Silver ETF Fund of Fund and HDFC Gold Fund shall bear the recurring expenses of the Scheme in addition to the recurring expenses of the respective underlying Schemes (subject to regulatory limits).

HDFC Asset Management Company Limited has been managing equity Index Solutions for 20 years. Index Solutions also include passively managed fund of funds and commodity(ies) based schemes.

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