

L&T Flexi Bond Fund

Flexes in the direction of opportunity....

Actively managed bond funds or, dynamic bond funds as they are popularly known, can prove to be an appropriate choice for investors who are looking to invest in debt markets with a longer term investment horizon. Since these funds adapt to the changing interest rate and economic scenario, investors seeking tax efficient bond fund allocation could invest in such funds with investment horizon of more than 3 years, without worrying about missing any opportunity.

L&T Flexi Bond Fund is an actively managed bond fund, which invests across corporate bonds, government securities and money market securities. The fund relies on active duration management to generate alpha under all market conditions. The Portfolio Manager actively manages the portfolio based on interest rate views and other economic factors. Built on a foundation of in-depth analysis, the fund combines macro-economic factors and credit analysis in the portfolio construction process.

The fund aims to maximize risk adjusted performance in all market conditions by utilizing all sources of alpha viz. asset allocation, credit selection and duration management. The fund manager invests primarily in relatively liquid securities so as to enable positioning changes based on evolving scenario.

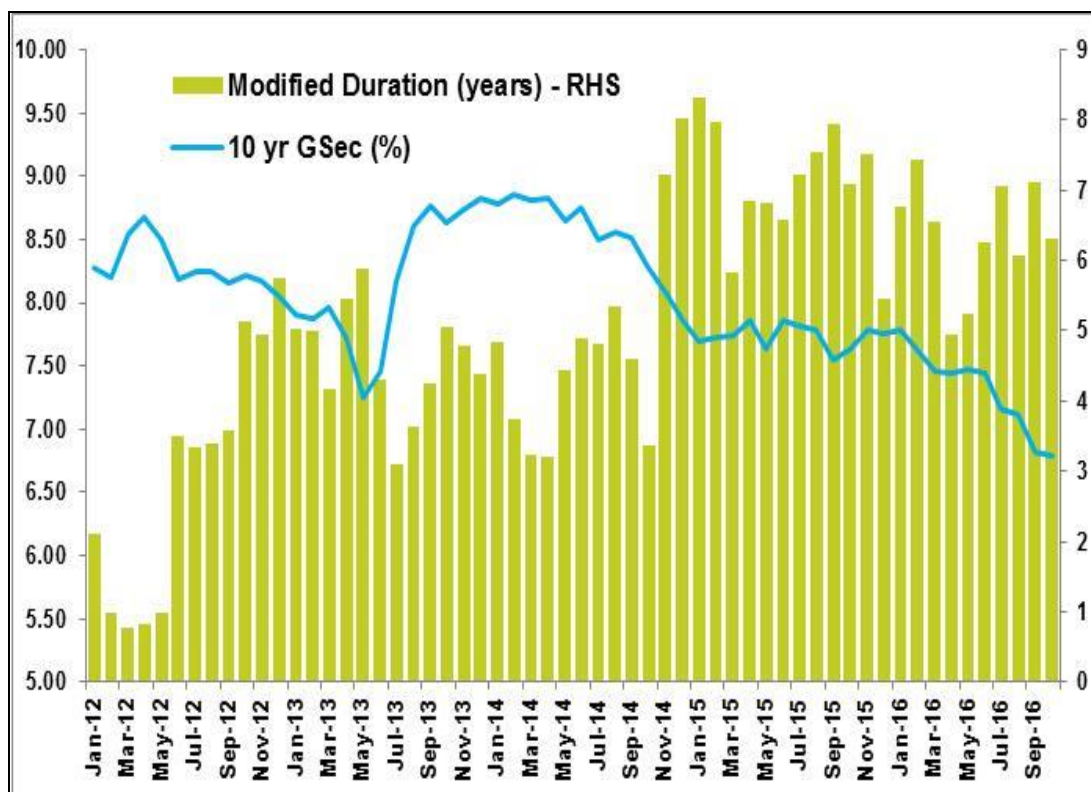
- Proven track record
- Bond fund for all seasons
- Experienced fund management

Flexi Advantage

- ✓ Active Duration Management
 - To seize potential upsides when interest rates are expected to soften
 - To help reduce risks in uncertain environment
- ✓ L&T Flexi Bond Fund is currently focusing on maintaining high credit quality portfolio

Active Duration Management

Owing to its flexible mandate, the fund in a softening interest rate scenario, can invest in longer duration bonds to capitalize on upside potential in the bond market. Similarly, in a rising interest rate scenario, the scheme has the flexibility to scale back on its duration to reduce its interest rate risk. If executed properly, such a strategy has the potential to deliver better risk adjusted performance over medium to long term.



Portfolio Actions

L&T Flexi Bond Fund's portfolio reduced its duration significantly during the 2011-12 period, when the central bank was hiking rates. This helped the fund in limiting the downside. Another example of swift duration management in the fund was during May 2013-Aug 2013 period, when the fund reduced its modified duration, as 10 yr. G-sec yield hardened by approx. 150 bps. The fund shifted to higher duration since the beginning of the rate cutting cycle from Oct -14 and managed to capitalize on the opportunities.

As a result of active portfolio management, the fund has been successful in performing well over a market cycle and has outperformed in the long term.

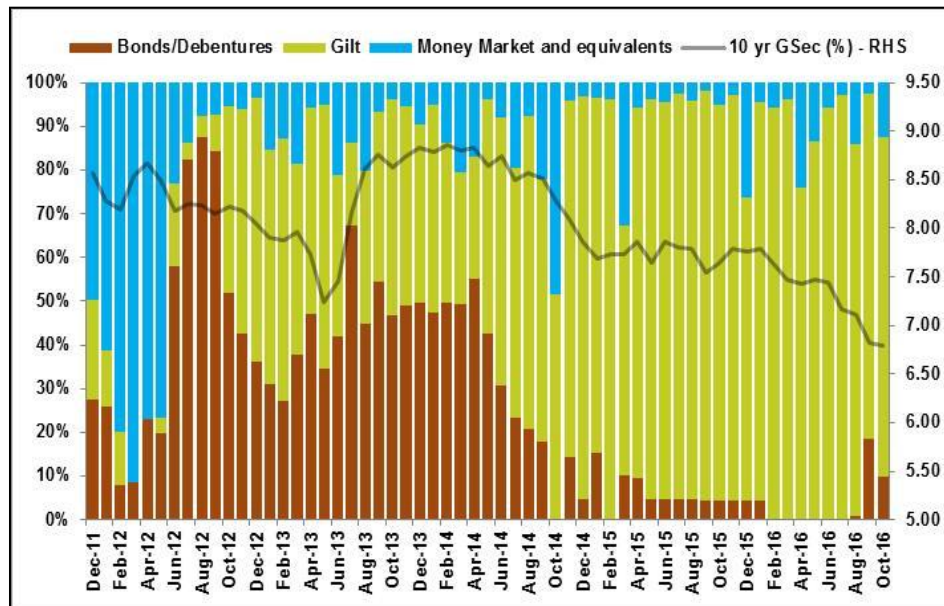
Why invest in L&T Flexi Bond Fund now?

- RBI's stance of maintaining inflation in a broad range of 2-6% and its focus on boosting growth are likely to drive rates lower over the next few quarters. However, from a medium term perspective, rate cycle could reverse as and when growth picks up and / or inflation inches up. L&T Flexi Bond Fund's investment strategy could prove to be apt in such an environment
- Historically, L&T Flexi Bond Fund's investment strategy of dynamically managing (a) portfolio duration and (b) asset allocation across G-secs, corporate bonds and money market instruments, has helped deliver performance across market cycles
- An appropriate fund for medium to long term allocation aimed at earning tax efficient return
- A Fund with focus on maintaining high credit quality and liquidity to suit the profile of relatively risk averse investors

L&T Flexi Bond Fund since its inception has generally performed well and has delivered returns of 9.55% on an annualized basis. The scheme's benchmark in the same period has delivered returns of 8.99%. The fund has also performed reasonably well in the recent interest rate easing cycle. For example: For the 1 year period ending 30-Sep-16, the fund has delivered returns of 11.31% and for the 1 year period ending 30-Sep-15, the fund delivered a return of 14.06%. The strategy of increasing allocation into longer dated gilt instruments in the last couple of years has helped the scheme to deliver performance.

Past performance may or may not be sustained in the future. * Point to Point (PTP) Returns in INR show the value of Rs. 10,000/- invested ^Standard Benchmark Note: As per the SEBI standards for performance reporting, the since inception return is calculated on NAV of Rs.10/- invested at inception. CAGR is compounded annualized. Date of inception is deemed to be date of allotment. **For Product labeling please refer to page 5 of this document.**

Asset Allocation Breakup



Performance in SEBI format

	Absolute Returns			Date of inception of scheme	Since inception	
	30-Sep-15 to 30-Sep-16	30-Sep-14 to 30-Sep-15	30-Sep-13 to 30-Sep-14		CAGR Return (%)	PTP Return* (in Rs.)
L&T Flexi Bond Fund – reg-Growth	11.31	14.06	9.02	27/Sep/2010	9.55	17304.10
Crisil Composite Bond Fund Index	11.51	12.56	11.61		8.99	16777.36
Crisil 10 Yr Gilt Index^	11.11	13.76	6.85		7.49	15442.50

Credit Rating Break-up as on 28-Oct-2016

	LTFBF – Reg (G)
AAA	9.99%
Sovereign	77.36%
CBLO / Reverse Repo/ Net Receivables / (Payables)	12.65%%

Scheme Features / Fund Facts

- ❖ **Type:** An open-ended income scheme
- ❖ **Scheme Benchmark:** CRISIL Composite Bond Fund Index
- ❖ **Fund Manager:** Shriram Ramanathan / Jalpan Shah
- ❖ **Exit Load:** if redeemed within 1 year from the date of allotment or purchase applying First in First out basis - 0.5% of applicable NAV, If redeemed after 1 year from the date of allotment or purchase applying First in First out basis Nil
- ❖ **Fund Size:** Rs. 117.65 crore (as on 28.10.2016)

Top holdings as on 28-Oct-2016

Security	% of net assets
07.59% GOI 20-MAR-2029	21.80%
07.61% GOI 09-MAY-2030	20.13%
07.59% GOI 11-JAN-2026	13.35%
07.88% GOI 19-MAR-2030	10.94%
Indian Railway Finance Corporation Limited	9.10%
7.72% GOI 25-MAY-2025	8.91%
07.35% GOI 22-JUN-2024	1.79%
Canara Bank	0.89%
07.68% GOI 15-DEC-2023	0.44%

Portfolio Statistics as on 28-Oct-2016

	% of net assets
Average Maturity (Yrs)	9.73
Modified Duration	6.32

In Summary

In these ever changing markets, opportunities unravel when you least expect them to. So that you don't miss out, you may need more than a typical bond fund. You need a fund that has the freedom to move within different segments of the bond market with no restrictions. And the L&T Flexi Bond Fund could do just that.

Product Labeling L&T Flexi Bond Fund ("L&TFBF")

Scheme name and type of scheme

An open-ended income scheme

Investment Objective: To generate reasonable returns through a diversified portfolio of fixed income securities.

This product is suitable for investors who are seeking*:

- Generation of reasonable returns over medium to long term
- Investment in fixed income securities



Investors understand that their principal will be at moderate risk

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Disclaimer

This document is for general information only and does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this information. This document provides general information on financial planning and comparisons made are only for illustration purposes. The data/information used/disclosed in this document is only for information purposes and not guaranteeing / indicating any returns. Investments in mutual funds and secondary markets inherently involve risks and recipient should consult their legal, tax and financial advisors before investing. Recipient of this presentation should understand that statements made herein regarding future prospects may not be realized. He/ She should also understand that any reference to the indices/ sectors/ securities/ schemes etc. in the document is only for illustration purpose. The securities indicated in the presentation may or may not form a part of the portfolio of the Scheme as on the date of receipt of the document. Neither this presentation nor the units of L&T Mutual Fund have been registered in any jurisdiction except India. The distribution of this document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this document are required to inform themselves about, and to observe, any such restrictions. Recipient of this information should understand that statements made herein regarding future prospects may not be realized or achieved. **Past performance may or may not be sustained in the future.**

Risk Factors: Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

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Performance of other schemes managed by the Fund Manager

Funds Managed by Mr. Shriram Ramanathan

	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
	30/Sep/2015-30/Sep/2016	30/Sep/2014-30/Sep/2015	30/Sep/2013-30/Sep/2014		CAGR Returns (%)	PTP Returns* (in ₹)
Non Direct Plan						
L&T Liquid Fund-Reg (G)	7.88	8.61	8.05	04/Oct/2000	7.11	30002.15
CRISIL Liquid Fund Index	7.69	8.56	9.49		NA	NA
CRISIL 1 Yr T-Bill Index^	7.36	8.86	8.35		6.39	26934.23
L&T Liquid Fund (G)	7.88	8.63	9.35	03/Oct/2006	7.97	21526.44
CRISIL Liquid Fund Index	7.69	8.56	9.49		7.63	20864.27
CRISIL 1 Yr T-Bill Index^	7.36	8.86	8.35		6.36	18530.05
Regular Plan						
L&T Short Term Income Fund (G)	9.89	9.55	10.09	04/Dec/2010	9.14	16644.90
CRISIL Short Term Bond Fund Index	9.31	9.90	10.12		8.99	16510.76
CRISIL 1 Yr T-Bill Index^	7.36	8.86	8.35		7.40	15157.69
Regular Plan						
L&T Income Opportunities Fund - Retail (G)	10.11	10.70	10.86	08/Oct/2009	8.47	17642.90
CRISIL Short Term Bond Fund Index	9.31	9.90	10.12		8.30	17451.42
CRISIL 10 Yr Gilt Index^	11.11	13.76	6.85		6.99	16031.66
L&T Income Opportunities Fund (G)	10.10	10.70	10.86	08/Oct/2009	8.71	17920.40
CRISIL Short Term Bond Fund Index	9.31	9.90	10.12		8.30	17451.42
CRISIL 10 Yr Gilt Index^	11.11	13.76	6.85		6.99	16031.66
Regular Plan						
L&T Triple Ace Bond Fund (G)	9.45	10.86	8.18	31/Mar/1997	7.52	41139.40
CRISIL Composite Bond Fund Index	11.51	12.56	11.61		NA	NA
CRISIL 10 Yr Gilt Index^	11.11	13.76	6.85		NA	NA
Regular Plan						
L&T Resurgent India Corporate Bond Fund (G)	10.66	NA	NA	02/Feb/2015		
CRISIL Composite Bond Fund Index	11.51	NA	NA			
CRISIL 10 Yr Gilt Index^	11.11	NA	NA			
Regular Plan						
L&T Floating Rate Fund (G)	9.13	8.55	8.75	10/Aug/2005	7.79	23085.90
CRISIL Liquid Fund Index	7.69	8.56	9.49		7.41	22180.30
CRISIL 1 Yr T-Bill Index^	7.36	8.86	8.35		6.20	19559.55
Regular Plan						
L&T Short Term Opportunities Fund (G)	8.24	9.58	10.02	27/Dec/2011	9.08	15128.40
CRISIL Short Term Bond Fund Index	9.31	9.90	10.12		9.28	15263.94
CRISIL 1 Yr T-Bill Index^	7.36	8.86	8.35		7.65	14205.48

Past performance may or may not be sustained in the future. * Point to Point (PTP) Returns in INR show the value of Rs 10,000/- invested ^Standard Benchmark

Note: As per the SEBI standards for performance reporting, the since inception return is calculated on NAV of Rs. 10/- invested at inception. CAGR is compounded annualized.

Date of inception is deemed to be date of allotment.

Performance of other schemes managed by the Fund Manager

Funds Managed by Mr. Shriram Ramanathan

Regular Plan	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
	30/Sep/2015-30/Sep/2016	30/Sep/2014-30/Sep/2015	30/Sep/2013-30/Sep/2014		CAGR Returns (%)	PTP Returns* (in ₹)
L&T India Prudence Fund (G)	9.53	17.31	49.25	07/Feb/2011	14.51	21502.00
Benchmark\$	10.69	5.37	32.13		9.48	16685.00
S&P BSE SENSEX^	6.54	-1.79	37.41		8.00	15449.17

\$70% - S&P BSE 200 Index and 30% - CRISIL Short Term Bond Fund Index

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Note: As per the SEBI standards for performance reporting, the since inception return is calculated on NAV of Rs. 10/- invested at inception. CAGR is compounded annualized.

Date of inception is deemed to be date of allotment.

Performance of other schemes managed by the Fund Manager

Funds Managed by Mr. Jalpan Shah

	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
	30/Sep/2015-30/Sep/2016	30/Sep/2014-30/Sep/2015	30/Sep/2013-30/Sep/2014		CAGR Returns (%)	PTP Returns* (in ₹)
Non Direct Plan						
L&T Liquid Fund-Reg (G)	7.88	8.61	8.05	04/Oct/2000	7.11	30002.15
CRISIL Liquid Fund Index	7.69	8.56	9.49		NA	NA
CRISIL 1 Yr T-Bill Index^	7.36	8.86	8.35		6.39	26934.23
L&T Liquid Fund (G)	7.88	8.63	9.35	03/Oct/2006	7.97	21526.44
CRISIL Liquid Fund Index	7.69	8.56	9.49		7.63	20864.27
CRISIL 1 Yr T-Bill Index^	7.36	8.86	8.35		6.36	18530.95
Regular Plan						
L&T Short Term Opportunities Fund (G)	8.24	9.58	10.02	27/Dec/2011	9.08	15128.40
CRISIL Short Term Bond Fund Index	9.31	9.90	10.12		9.28	15263.94
CRISIL 1 Yr T-Bill Index^	7.36	8.86	8.35		7.65	14205.48
Non Direct Plan						
L&T Ultra Short Term Fund-Reg (G)	8.52	8.78	8.86	27/Nov/1997	8.23	44400.60
CRISIL Liquid Fund Index	7.69	8.56	9.49		NA	NA
CRISIL 1 Yr T-Bill Index^	7.36	8.86	8.35		6.63	33571.98
L&T Ultra Short Term Fund (G)	8.52	8.80	9.47	10/Apr/2003	7.52	26575.57
CRISIL Liquid Fund Index	7.69	8.56	9.49		6.86	24452.43
CRISIL 1 Yr T-Bill Index^	7.36	8.86	8.35		5.91	21702.30
Regular Plan						
L&T Gilt Fund (G)	12.06	16.35	10.41	29/Mar/2000	8.87	40724.30
I-SEC Composite Gilt Index	11.90	13.30	11.12		NA	NA
CRISIL 10 Yr Gilt Index A	11.11	13.76	6.85		NA	NA
Regular Plan						
L&T Banking and PSU Debt Fund ^e - Inst (G)	9.34	8.28	8.81	18/Feb/2008	8.05	19501.20
CRISIL Short Term Bond Fund Index	9.31	9.90	10.12		8.33	19928.70
CRISIL 1 Yr T-Bill Index^	7.36	8.86	8.35		6.50	17217.94
L&T Banking and PSU Debt Fund ^e - Retail (G)	9.34	8.16	8.38	20/Sep/2007	7.71	19559.90
CRISIL Short Term Bond Fund Index	9.31	9.90	10.12		8.29	20540.27
CRISIL 1 Yr T-Bill Index^	7.36	8.86	8.35		6.47	17622.45
L&T Banking and PSU Debt Fund ^e (G)	9.34	8.20	8.77	12/Sep/2012	8.61	13973.70
CRISIL Short Term Bond Fund Index	9.31	9.90	10.12		9.28	14329.29
CRISIL 1 Yr T-Bill Index^	7.36	8.86	8.35		7.56	13435.17
Regular Plan						
L&T Cash Fund-Retail (G)	6.75	7.68	8.24	27/Nov/2006	7.25	19925.63
CRISIL Liquid Fund Index	7.69	8.56	9.49		7.66	20679.93
CRISIL 1 Yr T-Bill Index^	7.36	8.86	8.35		6.38	18392.47
L&T Cash Fund (G)	6.75	7.68	8.43	27/Nov/2006	7.68	20734.10
CRISIL Liquid Fund Index	7.69	8.56	9.49		7.66	20679.93
CRISIL 1 Yr T-Bill Index^	7.36	8.86	8.35		6.38	18392.47

Past performance may or may not be sustained in the future. * Point to Point (PTP) Returns in INR show the value of Rs 10,000/- invested ^Standard Benchmark

Note: As per the SEBI standards for performance reporting, the since inception return is calculated on NAV of Rs. 10/- invested at inception. CAGR is compounded annualized. Date of inception is deemed to be date of allotment.

Performance of other schemes managed by the Fund Manager

Funds Managed by Mr. Jalpan Shah

	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
	30/Sep/2015-30/Sep/2016	30/Sep/2014-30/Sep/2015	30/Sep/2013-30/Sep/2014		CAGR Returns (%)	PTP Returns* (in ₹)
Regular Plan						
L&T Monthly Income Plan (G)	8.11	10.32	14.33	31/Jul/2003	8.81	30439.80
CRISIL MIP Blended Index	11.17	10.72	15.45		8.52	29366.00
CRISIL 10 Yr Gilt Index^	11.11	13.76	6.85		5.90	21276.10
	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
	30/Sep/2015-30/Sep/2016	30/Sep/2014-30/Sep/2015	30/Sep/2013-30/Sep/2014		CAGR Returns (%)	PTP Returns* (in ₹)
Regular Plan						
L&T Equity Savings Fund (G)**	6.71	10.24	18.94	18/Oct/2011	9.10	15397.00
CRISIL MIP Blended Index	11.17	10.72	15.45		10.17	16163.22
CRISIL 10 Yr Gilt Index^	11.11	13.76	6.85		8.77	15169.82

Past performance may or may not be sustained in the future. * Point to Point (PTP) Returns in INR show the value of Rs 10,000/- invested ^Standard Benchmark

Note: As per the SEBI standards for performance reporting, the since inception return is calculated on NAV of Rs. 10/- invested at inception. CAGR is compounded annualized. Date of inception is deemed to be date of allotment. Performance of L&T Dynamic Equity Fund is not shown as the Fund had undergone change in its fundamental attributes and it has not completed 1 year since then. ** the scheme was repositioned w.e.f January 9, 2015.