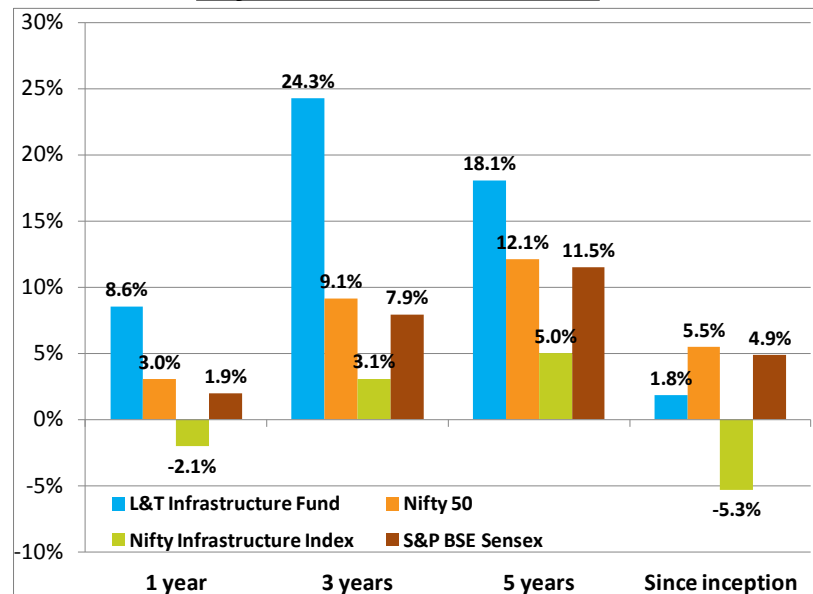


L&T Infrastructure Fund

Gaining from the thrust on infrastructure sector

In the Union Budget 2017-18, the government has reiterated its focus on infrastructure sector and building assets. The Budget has proposed infrastructure spending of Rs. 3.96 trillion in fiscal 2017-2018, up by 10.5% over FY 2016-17. Power, road transport, railways and shipping have seen allocation increase of 51%, 31%, 19% and 16% respectively[^]. Further, the government has been focusing on widening the taxpayer base along with stricter tax compliance and this is expected to increase the tax to GDP ratio over the next few years. As a result government's thrust on infrastructure sector is likely to continue in the coming years and this is expected to positively influence the prospects of the companies in the infrastructure and related sectors. L&T Infrastructure Fund, which predominantly invests in infrastructure companies could help capitalize on the investment opportunity arising out of such increased spending on infrastructure sector. The Fund has shown strong performance over the past few years delivering annualized return of 24.26% and 18.06% over 3 and 5 year period respectively. Investors with relatively higher risk appetite seeking to boost the performance of their portfolios could consider allocation to this fund with a medium to long term investment horizon.

Performance as on 30.12.2016



Source: Internal. **Past performance may or may not be sustained in the future.** Please refer to page 4 for performance in SEBI format and page 6 for performance of other schemes managed by the fund manager.

Investment Approach

- ❖ A thematic fund which invests predominantly in stocks and sectors that are likely to benefit from country's infrastructure growth.
- ❖ A pure infrastructure theme. (e.g. does not use exposure to financials as a proxy to infra play)
- ❖ Focus on identifying companies with (1) positive operating cash flow, (2) sufficient internal accruals to support growth without equity dilution and (3) relatively low leverage level
- ❖ Complete flexibility to invest across market cap segments and sectors, thus allowing it to capitalize on investment opportunities across the infrastructure and related sectors
- ❖ While the Fund Manager focuses on investing in scalable businesses with strong growth potential, valuation plays a key role in stock selection.
- ❖ A portfolio well diversified across different stocks and segments within the infrastructure space.

[^] Source: CRISIL. For Product labeling please refer to page 5 of this document.

Budget 2017-18 highlights : Government's thrust on infrastructure sector

Roads



- 24% increase in allocation v/s previous year to Rs 64900 Cr; overall spending in the road sector (national highways only) of Rs 124000 Cr (including NHAI's external borrowings of Rs 59300 Cr)
- 2,000km of coastal roads have been identified for construction and development
- Rs. 19000 crore provided for the Pradhan Mantri Gram Sadak Yojana (PMGSY) in FY18 (total Rs. 27,000 crore, including contribution of states)

Railways



- Allocation increased by 19% to Rs 55000 Cr. Total capital and development expenditure at Rs 131,000 Cr
- 3,500km railway line to be commissioned in 2017-18; At least 25 stations to be awarded for redevelopment.
- A new Metro Rail Act will be enacted by rationalizing the existing laws to facilitate greater private participation and investment in construction and operation

Real Estate and Affordable Housing



- Affordable housing will be given 'infrastructure' status lowering funding costs for developers.
- Housing for all: 10 mn houses to be constructed by FY19 for the houseless and those in kutchha houses
- The area definition for a project to qualify as affordable housing changed from built-up area to carpet area, thus increasing the unit area by 20-30%, bringing more projects under its ambit.

Power T&D



- Outlay for IPDS and DDUGJY for improvement in urban and rural, transmission and distribution improvement increased to Rs10600 Cr from Rs7900 Cr in FY17

Irrigation



- Rs 20000 Cr to be contributed to the long term irrigation fund set up under NABARD

L&T Infrastructure Fund – Top 3 sectors as on 28-02-2017

Company	% of Net Assets	Key drivers
Construction Projects	14.82%	Construction activity to remain strong given Infra spending across roads, railways, power / renewable energy, agriculture, etc. We own businesses with strong order book and execution capabilities. Focus on businesses with strong growth potential available at reasonable valuations.
Industrial Capital Goods	14.43%	Government spending in railways, power, renewable energy, defence, etc likely to aid business growth.
Cement	12.24%	Increased spending on infrastructure sectors - ex. Roads, railways , focus on affordable housing (PMAY allocation increased by 39% to Rs 290 bn), Rural Focus (allocation of Rs. 1.05 trn in FY 18 for Ministry of Rural Development) likely to boost demand for cement, driving capacity utilization levels higher, thus aiding profitability.

Top 10 holdings as on 28.02.2017

Company	% of Net Assets
Larsen & Toubro Limited	4.60%
The Ramco Cements Limited	3.72%
KEI Industries Limited	3.15%
Hindustan Zinc Limited	2.82%
Jindal Steel & Power Limited	2.67%
Techno Electric & Engineering Company Ltd	2.54%
Indian Hume Pipe Company Limited	2.45%
The India Cements Limited	2.35%
Isgec Heavy Engineering Limited	2.19%
Bharat Forge Limited	2.15%

Market cap break up as on 28.02.2017

Large cap (Top 100 by market cap)	34.43%
Mid cap (Next 100 by market cap)	11.99%
Small cap (Beyond top 200 by market cap)	45.74%
Cash & equivalent	7.84%

Portfolio well diversified across stocks

Number of stocks	54
Top 10 stocks (%)	28.64%
Top 20 stocks (%)	48.53%

Why invest in L&T Infrastructure Fund?

- ❖ The Fund aims to exploit investment opportunities in the infrastructure sector which is seeing increased spending from the government. Infrastructure likely to remain a key investment theme over the next few years.
- ❖ The Fund has demonstrated a good performance track record over the past few years
- ❖ The Fund could help boost performance of the investors' portfolio as it has the potential to significantly outperform the broader market over the next few years, albeit at a relatively higher volatility
- ❖ Experienced Fund Manager with strong track record in managing investment mandates with focus on infrastructure theme

Who is this fund suitable for?

- ❖ Investors seeking a satellite holding to boost the performance of their portfolios, provided they are comfortable with a relatively higher volatility/risk
- ❖ Investors looking to capitalize on the investment opportunity arising out of government's increased spending on the infrastructure sector
- ❖ Investors having investment horizon of at least 3-5 years

Performance in SEBI Format

	Absolute Returns			Date of inception of scheme	Since inception	
	31-Dec-15 to 30-Dec-16	31-Dec-14 to 31-Dec-15	31-Dec-13 to 31-Dec-14		CAGR Return (%)	PTP Return* (in Rs.)
L&T Infrastructure Fund (G)	8.56%	6.78%	65.53%	27/09/07	1.80%	11800.00
Nifty 50	3.01%	-4.06%	31.39%		5.46%	16369.80
S&P BSE Sensex^	1.95%	-5.03%	29.89%		4.86%	15525.13

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. Please refer to page 6 for performance of other schemes managed by the fund manager.

Scheme Features / Fund Facts

- ❖ **Type:** An open-ended equity scheme
- ❖ **Fund Manager:** Soumendra Nath Lahiri
- ❖ **Minimum Initial Application Amount:** Rs. 5000 per application and in multiples of re 1.
- ❖ **Minimum Additional Application Amount:** Rs. 1,000 per application and in multiples of Re.1 thereafter
- ❖ **Exit Load:** 1% if redeemed within 1 year from the date of allotment or purchase applying first in first out basis. Nil if redeemed after 1 year from the date of allotment or Purchase applying First in First Out basis.
- ❖ **Fund Size:** Rs. 320.50 crore (as on 28.02.2017)
- ❖ **Inception date:** 27-Sep-2007

Product Labeling L&T Infrastructure Fund ("L&TIF")

Scheme name and type of scheme

An open-ended equity scheme

Investment Objective: To generate capital appreciation by investing predominantly in equity and equity related instruments of companies in the infrastructure sector.

This product is suitable for investors who are seeking*:

- Long term capital appreciation
- Investment predominantly in equity and equity-related instruments of companies in the infrastructure sector



*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.

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. Soumendra Nath Lahiri

Regular Plan	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
	31/Dec/2015-30/Dec/2016	31/Dec/2014-31/Dec/2015	31/Dec/2013-31/Dec/2014		CAGR Returns (%)	PTP Returns* (in ₹)
L&T Equity Fund (G)	3.58	0.29	50.27	16/May/2005	17.02	62215.00
S&P BSE-200	3.95	-1.48	35.47		12.80	40607.54
S&P BSE SENSEX^	1.95	-5.03	29.89		12.85	40787.89
Regular Plan	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
	31/Dec/2015-30/Dec/2016	31/Dec/2014-31/Dec/2015	31/Dec/2013-31/Dec/2014		CAGR Returns (%)	PTP Returns* (in ₹)
L&T Tax Advantage Fund (G)	8.13	2.90	44.75	27/Feb/2006	13.75	40440.00
S&P BSE-200	3.95	-1.48	35.47		9.68	27242.78
S&P BSE SENSEX^	1.95	-5.03	29.89		9.17	25895.96
Regular Plan	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
	31/Dec/2015-30/Dec/2016	31/Dec/2014-31/Dec/2015	31/Dec/2013-31/Dec/2014		CAGR Returns (%)	PTP Returns* (in ₹)
L&T India Special Situations Fund (G)	4.36	1.49	51.02	22/May/2006	12.88	36178.00
S&P BSE 200	3.95	-1.48	35.47		9.94	27348.03
S&P BSE SENSEX^	1.95	-5.03	29.89		9.18	25402.64
Regular Plan	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
	31/Dec/2015-30/Dec/2016	31/Dec/2014-31/Dec/2015	31/Dec/2013-31/Dec/2014		CAGR Returns (%)	PTP Returns* (in ₹)
L&T Midcap Fund (G)	9.79	10.77	81.61	09/Aug/2004	20.34	99350.00
Nifty Free Float Midcap 100	7.13	6.46	55.91		16.69	67783.45
S&P BSE SENSEX^	1.95	-5.03	29.89		14.02	50879.79
Regular Plan	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
	31/Dec/2015-30/Dec/2016	31/Dec/2014-31/Dec/2015	31/Dec/2013-31/Dec/2014		CAGR Returns (%)	PTP Returns* (in ₹)
L&T Emerging Businesses Fund (G)	10.21	12.32	NA	12/May/2014		
S&P BSE Small Cap	1.77	6.76	NA			
S&P BSE SENSEX^	1.95	-5.03	NA			
Regular Plan	Absolute Returns (Period)			Date of Inception of the Scheme	Since Inception	
	31/Dec/2015-30/Dec/2016	31/Dec/2014-31/Dec/2015	31/Dec/2013-31/Dec/2014		CAGR Returns (%)	PTP Returns* (in ₹)
L&T India Prudence Fund (G)	4.34	9.93	44.48	07/Feb/2011	13.16	20738.00
Benchmark\$	5.94	1.73	27.64		8.45	16137.53
S&P BSE SENSEX^	1.95	-5.03	29.89		6.83	14761.98

Past performance may or may not be sustained in the future. * Point to Point (PTP) Returns in INR show the value of Rs10,000/- 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. \$70% - S&P BSE 200 Index and 30% - CRISIL Short Term Bond Fund Index.