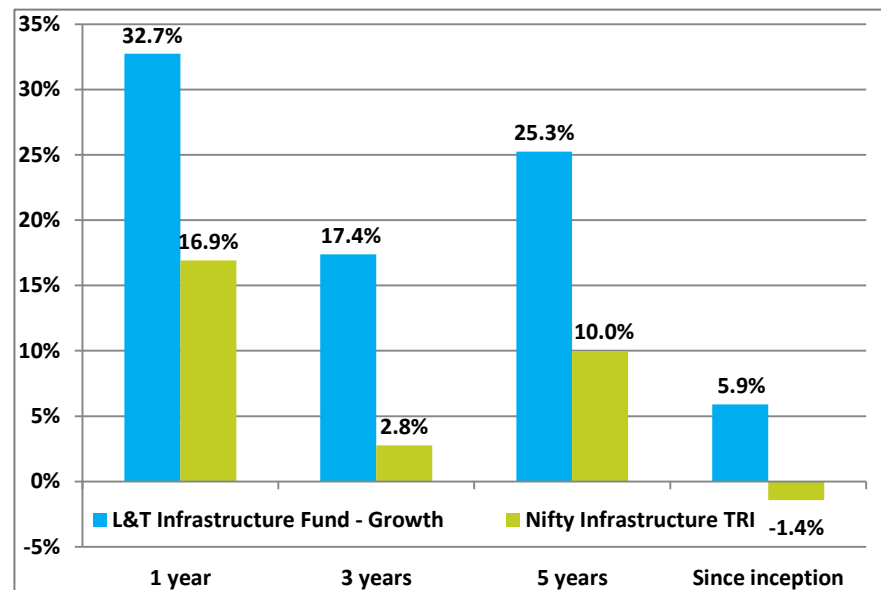


L&T Infrastructure Fund

Set to gain from thrust on infrastructure sector

In the past three years, the government has announced several large scale infrastructure creation programs across roads, railways, urban infrastructure, ports and airports. Budget 2018-19 ensured that these multi-year programs received their fair share of funding. The Budget has proposed infrastructure spending of Rs. 5.97 trillion in fiscal 2018-2019, up by 20.8% over FY 2017-18. Road transport, Railways and Defense have seen allocation increase of 16%, 22% and 9% respectively[^]. Governments continued focus on infrastructure development is likely to aid job creation in the economy and improve utilization levels in allied sectors like steel, cement etc which could drive capex and further support economic growth. 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 17.4% and 25.3% 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 28.02.2018



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

"Infrastructure is the growth driver of the economy. Our country needs massive investment in excess of Rs 50 lakh crore in infrastructure to increase growth of GDP and integrate the nation with a network of roads, airports, railways, inland water and to provide good quality services to the people," - Arun Jaitley, Finance Minister

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

Budget 2018-19 highlights : Government's thrust on infrastructure sector

Roads

- 35,000 km road to be constructed under Bharat Mala Project. Rs 5.35 lakh crore total allocation to be spend over next few years.
- Highway construction of 9,000 km to be completed by FY18.
- Higher allocation to intra capital expenditure in Budget can be a boost to rural road construction

Railways

- Union Budget 2018-19 has allocated a record Rs 1.46 trillion, earmarked for capex
- Electrification of railway line with a target set at 4000kms to be commissioned during the year.
- 18000kms of doubling, third and fourth line works and 5000 kms of gauge conversion to eliminate capacity constraints transforming the entire network to broad gauge
- Dedicated fund of Rs. 110bn to double line tracks for Mumbai city and Rs. 170bn allocated for development of metros in Bangalore

Defense

- Defense capex up by 7.8% to boost private sector participation. Allocation of Rs 2.95 trillion.
- Government brings out industry friendly Defense production policy 2018 to promote domestic production by public ,private sectors and MSME's.
- Announcement to develop two defense industrial production corridors

Housing

- Allocation of Rs. 29,201 Cr towards the housing under PMAY & Ministry of Housing & Urban Affair. Rs 41,000 crores
- Under PMAY (Gramin) , 49 lakh homes to be constructed at an outlay of Rs 33,000 crores. PMAY (Urban) gets allocation of Rs 31,500 crores.
- Dedicated Affordable Housing Fund (AHF) to be set up. Smart cities mission, Mass Rapid Transit System, etc AMRUT, gets a boost

Digital and Telecom

- Digital India programme allocation doubled to Rs 3073 cr.
- To further Broadband access in villages, five lakh wifi hotspots to provide net connectivity to five crore rural citizens.
- Telecom Infrastructure allocation for 2018-19 stands at Rs 10,000 crores. Telecom companies and other ancillaries to benefit

L&T Infrastructure Fund – Top 3 sectors as on 28-02-2018

Sector	% of Net Assets	Key drivers
Industrial Products	16.76%	Increased government spending in sectors like Railways, Power, Renewable energy, Defense, etc likely to aid business growth
Cement	15.77%	Increased spending on infrastructure sectors - ex. roads, railways, rural, focus on affordable housing (PMAY) to boost demand for cement, driving capacity utilization and thus aiding profitability.
Construction Project	12.72%	Construction activity to remain strong given infra spending across roads, railways, power, agriculture, etc. We aim to own businesses with strong order book and execution capabilities which are available at reasonable valuations.

Top 10 holdings as on 28.02.2018

Company	% of Net Assets
Larsen & Toubro Limited	7.24
Bharti Airtel Limited	4.02
The Ramco Cements Limited	3.54
Graphite India Limited	3.25
Bharat Electronics Limited	3.10
Lakshmi Machine Works Limited	3.04
Hindustan Zinc Limited	3.00
Engineers India Limited	2.97
Vedanta Limited	2.92
Carborundum Universal Limited	2.80

Market cap break up as on 28.02.2018

Large cap (Top 100 by market cap)	41.30%
Mid cap (Next 150 by market cap)	19.20%
Small cap (Beyond top 250 by market cap)	32.40%
Cash & equivalent	7.10%

Portfolio well diversified across stocks

Number of stocks	58
Top 10 stocks (%)	35.88%
Top 20 stocks (%)	58.74%

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

Scheme Features / Fund Facts

	CAGR Returns (%) (Period)			Date of inception of scheme	Since inception	
	1 year	3 year	5 year		CAGR Return (%)	PTP Return* (in Rs.)
L&T Infrastructure Fund (G)	32.75%	17.38%	25.26%	27/09/07	5.84%	18080.00
Nifty Infrastructure TRI	16.92%	2.75 %	9.98%		-1.43%	8607.35
S&P BSE Sensex TRI^	20.46%	6.85%	14.28%		10.54%	28437.84

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.*

- ❖ **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. 1924.80 crore (as on 28.02.2018)
- ❖ **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 understand that their principal will be at high 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.

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

	CAGR Returns (%) (Period)			Date of Inception of the Scheme	Since Inception	
	1 year	3 year	5 year		CAGR Returns (%)	PTP Returns* (in ₹)
L&T Equity Fund - Regular Plan (G)^c	19.37	8.77	18.30	16/May/2005	17.92	82411.00
S&P BSE-200 TRI	20.55	9.34	16.37		15.24	61391.99
S&P BSE SENSEX TRI [^]	20.46	6.85	14.28		15.18	61034.03
L&T India Special Situations Fund - Regular Plan (G)^c	24.40	11.37	19.85	22/May/2006	14.67	50173.00
S&P BSE-200 TRI	20.55	9.34	16.37		12.80	41345.77
S&P BSE SENSEX TRI [^]	20.46	6.85	14.28		12.00	38011.90
L&T Tax Advantage Fund - Regular Plan (G)	25.74	13.89	20.43	27/Feb/2006	15.45	56139.00
S&P BSE-200 TRI	20.55	9.34	16.37		12.51	41186.65
S&P BSE SENSEX TRI [^]	20.46	6.85	14.28		11.94	38750.10
L&T Midcap Fund - Regular Plan (G)^s	29.33	18.90	30.03	09/Aug/2004	21.75	144350.00
Nifty Free Float Midcap 100 TRI	20.80	15.80	22.65		19.52	112292.49
S&P BSE SENSEX TRI [^]	20.46	6.85	14.28		16.14	76135.30
L&T Emerging Businesses Fund - Regular Plan (G)^c	39.73	24.45	NA	12/May/2014	30.98	27907.00
S&P BSE Small Cap TRI	33.33	17.96	NA		26.71	24599.35
S&P BSE SENSEX TRI [^]	20.46	6.85	NA		11.93	15351.29
L&T India Prudence Fund - Regular Plan (G)^r	16.01	10.45	18.95	07/Feb/2011	14.53	26073.00
Benchmark ^{\$}	24.75	11.04	14.93		11.49	21560.41
S&P BSE SENSEX TRI [^]	20.46	6.85	14.28		11.10	21032.32
L&T Dynamic Equity Fund - Regular Plan (G)^s	8.03	3.65	14.95	07/Feb/2011	12.36	22782.00
Benchmark ^{\$}	20.28	8.65	12.32		10.52	20272.84
S&P BSE SENSEX TRI [^]	20.46	6.85	14.28		11.10	21032.32

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.