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L&T Financial Services
Mutual Fund

Investment Restrictions and Risks Factors associated with investing in REITs and InvITs

Existing provisions: N.A.

Revised provisions:

The revised provisions enable the Scheme to invest in REITs and InvITs. Therefore, the said scheme shall invest not more than 10% of its NAV in the units of REIT and InvIT and not more than 5% of its NAV in the units of REIT and InvIT issued by a single issuer.

In view of the same, investors are also requested to note the following risks associated with investing in REITs and InvITs-

- **Market Risk:** REITs and InvITs Investments are volatile and subject to price fluctuations on a daily basis owing to the market conditions and factors impacting the underlying assets. AMC/Fund Manager's will do the necessary due diligence but actual market movements may be at variance with the anticipated trends.
- **Liquidity Risk:** As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes, settlement periods, dissolution of the trust, potential delisting of units on the exchange etc, the time taken by the Mutual Fund for liquidating the investments in the scheme may be long in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk. As these products are new to the market they are likely to be exposed to liquidity risk.
- **Reinvestment Risk:** Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, interest payments etc. Depending upon the market conditions, interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. As a result, the proceeds may get invested at a lower rate.
- **Credit Risk:** REITs & InvITs are likely to have volatile cash flows as the repayment dates would not necessarily be pre scheduled.
- **Regulatory/Legal Risk:** REITs and InvITs being new asset classes, regulatory guidelines may be evolving in nature which may impact the investments in REITs and InvITs.

Please note that the particulars mentioned above only provide the material changes. Various forms of representations, disclosures, descriptions, references may vary in the actual disclosure of the scheme information document of the scheme after the effective date.

L&T GILT FUND

Particulars	Existing Provisions	Revised provisions
Scheme Name	L&T Gilt Fund	L&T Gilt Fund
Scheme Category	-	A Gilt Fund
Type of the Scheme	An open-ended dedicated gilt (government securities) scheme	An open ended debt scheme investing in government securities across maturity

Asset Allocation

Existing Provisions:

Type of security	Normal Allocation (% of Net Assets)		Risk Profile
	Minimum	Maximum	
Government Securities including Treasury Bills	80%	100%	Low
Money market instruments (including CBLO/reverse repos)	0%	20%	Low to High

Revised provisions:

Type of security	Indicative allocations (% of total assets)		Risk Profile
	Minimum	Maximum	
Government Securities including Treasury Bills and CBLO**	80%	100%	Low
Money market instruments^	0%	20%	Low to Medium

Investments will be made in line with the asset allocation of the scheme and the applicable SEBI and / or AMFI guidelines as specified from time to time

**Securities issued (including debt issuances) by domestic government agencies and statutory bodies, which may or may not be guaranteed by Central or State Government. This may include instruments like central government securities, state development loans and UDAY bonds, recapitalization bonds, and G-Sec repos.

^^Money market instruments would include certificate of deposits, commercial papers, T-bills, repo, reverse repos and CBLO, bill rediscounting, bills of exchange / promissory notes, standby letter of credit (SBLC) backed commercial papers and government securities having unexpired maturity of 1 year and such other instruments as eligible from time to time.

1. The fund may also invest into deposits of scheduled commercial banks as permitted under the extant Regulations.
2. The fund may also enter into "Repo", "Stock Lending" or such other transactions as may be allowed by SEBI regulations from time to time.
3. The Scheme will not invest in securitized debt.
4. The Scheme may invest in derivatives up to 100% of the total assets of the Scheme for the purpose of hedging and portfolio balancing purposes. Further, in line with SEBI circular dated September 27, 2017, the scheme is permitted to imperfectly hedge their portfolio or a part of their portfolio by using Interest Rate Futures.These may include instruments such as interest rate swaps, interest rate futures, credit default swaps, forward rate agreements, etc.
5. The cumulative gross exposure through debt and derivative positions will not exceed 100% of the total assets of a Scheme.

   Due to market conditions, the AMC may invest beyond the range set out in the asset allocation. Such deviations shall normally be for a short term purpose only, and the intention being at all times to protect the interests of the Unit Holders. In the event of deviations, rebalancing will normally be carried out within 30 days.

The other instruments are further elaborated in the SID, currently only key differentiators have been mentioned.

Where will the scheme invest?

Existing Provisions:

The Scheme will invest in high quality securities issued by (Central/State) Government(s) that can be purchased at a reasonable price, as determined from time to time. The investment team of the AMC will study the macro economic conditions, including the political, economic environment and factors affecting liquidity and interest rates. The AMC would use this analysis to attempt to predict the likely direction of interest rates and position the portfolio appropriately to take advantage of the same.

The government securities market is the largest and the most liquid market in India. The AMC believes that the various measures being initiated by RBI and the priority being accorded to the development of this market will lead to further deepening and widening of this market.

The central and state governments raise large sums from the market every year to meet their revenue and capital expenditure. Banks, Nonbanking finance companies, insurance companies and provident funds are required by various statutes to invest in government securities and therefore are big investors in this market. The government securities market is expected to remain the most liquid market and provides an avenue for investment where safety is of paramount importance.

The Scheme will give an opportunity to the retail investors to invest in the government securities.

The Scheme may invest in any other instruments/securities as may be permitted by RBI/SEBI or such other regulatory bodies from time to time.

Revised provisions:

The Scheme will invest the entire corpus in government securities and money market securities. There will be no investment in equity and equity related products, where returns have linkages with the equity movement. The Scheme may also invest in derivatives for the purpose of hedging and portfolio balancing purposes.

Subject to regulations and prevailing laws as applicable, the portfolio will consist of permissible debt instruments, most suitable to meet the investment objectives. The instruments listed below could be listed, unlisted, privately placed, secured, unsecured, rated or unrated acquired through primary or secondary market through stock exchanges, over the counter or any other dealing mechanisms.

The following investment categories are likely to cover most of the available investment universe. The investments could be coupon bearing (fixed or floating), zero coupon discounted instruments, instruments with put and/or call options or any other type. Weights in the portfolio may not have any correlation to the order of listing.

1. Securities issued (including debt issuances) by domestic government agencies and statutory bodies, which may or may not be guaranteed by Central or State Government. This may include instruments like central government securities, state development loans and UDAY bonds, recapitalization bonds, and G-Sec repos
2. Money market instruments (which includes but is not limited to commercial papers, commercial bills, treasury bills, usance bills, certificates of deposit, bills rediscounting, CBLO, repo, call money, bills of exchange / promissory notes, standby letter of credit (SBLC) backed commercial papers, government securities having unexpired maturity of 1 year and any other like instruments as are or may be permitted under the Regulations from time to time).
3. Deposits of scheduled commercial banks as permitted under the extant Regulations.
4. Derivatives (which includes but is not limited to interest rate derivatives, currency derivatives, credit derivatives, interest rate swaps, interest rate futures, credit default swaps, forward rate agreements or such other derivatives as are or may be permitted under the Regulations and RBI from time to time).
5. Any international fixed income securities, overseas mutual fund units which are permissible under the Regulations or by any other regulatory body.

For the purpose of further diversification and liquidity, the Scheme may invest in other schemes managed by the same AMC or by the asset management company of any other mutual fund without charging any fees on such investments, provided that aggregate inter-scheme investment made in all schemes managed by the same AMC or in schemes managed by the AMC of any other mutual fund shall not exceed 5% of the total asset value of the Mutual Fund.

The other instruments are further elaborated in the SID, currently only key differentiators have been mentioned.

Please note that the particulars mentioned above only provide the material changes. Various forms of representations, disclosures, descriptions, references may vary in the actual disclosure of the scheme information document of the scheme after the effective date.

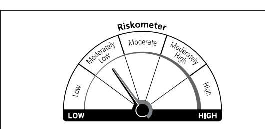
L&T BANKING & PSU DEBT FUND

Particulars	Existing Provisions	Revised provisions
Scheme Name	L&T Banking & PSU Debt Fund	L&T Banking & PSU Debt Fund
Scheme Category	-	A Banking and PSU Fund
Type of the Scheme	An open-ended debt scheme	An open ended debt scheme predominantly investing in debt instruments of banks, public sector undertakings, public financial institutions and municipal bonds.

Product Labelling & Riskometer

Existing Provisions:

This product is suitable for investors who are seeking*
- Generation of reasonable returns and liquidity over short term
- Investment primarily in securities issued by Banks, Public Sector Undertakings and Public Financial Institutions in India.

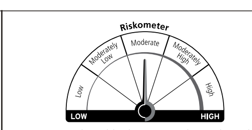


Investors understand that their principal will be at moderately low risk

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

Revised provisions:

This product is suitable for investors who are seeking*
- Generation of reasonable returns and liquidity over short term
- Investment predominantly in securities issued by Banks, Public Sector Undertakings and Public Financial Institutions and municipal corporations in India



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.

Asset Allocation

Existing Provisions:

Instruments	Indicative allocations (% of net assets)		Risk Profile
	Maximum	Minimum	
Debt and money market instruments/securities issued by Banks, Public Sector Undertakings (PSUs) and Public Financial Institutions (PFIs)	100%	80%	Low to Medium
Debt and money market instruments/securities issued by other entities*	20%	0%	Low to Medium

*includes investments in Treasury bills and instruments/ securities issued by the Central Government and State Government The Scheme may invest in securitized debt upto 20% of its net assets.

The cumulative gross exposure through Debt and Derivative positions will not exceed 100% of the net assets of a Scheme.

The Scheme may, subject to applicable regulations from time to time, invest in Foreign Securities up to 20% of net assets of the Scheme.

The Scheme may invest in derivatives up to 100% of the net assets of the Scheme for the purpose of hedging and portfolio balancing purposes.

The Scheme does not propose to engage in short selling, securities lending and repo in corporate bonds.

The Scheme does not propose to invest in credit default swaps.

Due to market conditions, the AMC may invest beyond the range set out above. Such deviations shall normally be for a short term purpose only, for defensive considerations and the intention being at all times to protect the interests of the Unit Holders. In case of any deviation, the rebalancing will be carried out within 30 days.

In cases where the rebalancing is not carried out within 30 days, the reasons for not carrying out the rebalancing within the aforesaid period will be placed before the Investment Committee for its consideration and necessary action (if any), reasons of which shall be recorded in writing.

In order to understand the debt markets and instruments available in the debt markets, please refer the paragraph "Overview of Debt Markets" in the Scheme Information Document.

Revised provisions:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Maximum	Minimum	
Debt* and money market instruments / securities issued by Banks, Public Sector Undertakings (PSUs), Public Financial Institutions (PFIs) and Municipal Bonds including CBLO	100%	80%	Low to Medium
Debt* and money market instruments^ /securities issued by other entities	20%	0%	Low to Medium

Public sector entities/undertakings to include those entities-
- In which the government of india / a state government has atleast 51% shareholding.
- notified / qualifies as public sector entities, in accordance with norms / notified by government of india / a state government
- The debt of which is guaranteed by government of india / a state government.

"Public Financial Institution" means-

i. the Life Insurance Corporation of India, established under section 3 of the Life Insurance Corporation Act, 1956;
ii. the Infrastructure Development Finance Company Limited, referred to in clause (vi) of sub-section (1) of section 4A of the Companies Act, 1956 so repealed under section 465 of this Act;
iii. specified company referred to in the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002;
iv. institutions notified by the Central Government under sub-section (2) of section 4A of the Companies Act, 1956 so repealed under section 465 of this Act;
v. such other institution as may be notified by the Central Government in consultation with the Reserve Bank of India:

Provided that no institution shall be so notified unless –

a. it has been established or constituted by or under any Central or State Act; or
b. not less than fifty-one per cent of the paid-up share capital is held or controlled by the Central Government or by any State Government or Governments or partly by the Central Government and partly by one or more State Governments;

The scheme will invest in state development loans and UDAY Bonds issued by PSU & PFI as mentioned above.

Investments will be made in line with the asset allocation of the scheme and the applicable SEBI and / or AMFI guidelines as specified from time to time

*Debt instruments would include all debt securities issued by entities such as banks, companies, public sector undertakings, municipal corporations, body corporates, warrants, equity linked debentures (with no equity component), compulsorily convertible debenture (with no equity linked returns), capital instruments including Basel III bonds, central government securities, state development loans and UDAY bonds, recapitalization bonds, municipal bonds and G-sec repos and any other instruments as permitted by regulators from time to time.

^Money market instruments would include certificate of deposits, commercial papers, T-bills, repo, reverse repos and CBLO, bill rediscounting, bills of exchange / promissory notes, standby letter of credit (SBLC) backed commercial papers and government securities having unexpired maturity of 1 year and such other instruments as eligible from time to time.

1. The fund may also enter into "Repo" and "Stock Lending".
2. The Scheme may invest in securitized debt upto 50% of its total assets.
3. The scheme will take exposure in repos of corporate bonds up to 10% and Foreign Securities up to 25% of total assets of the Scheme.
4. The cumulative gross exposure through repo transactions in corporate debt securities along with debt and derivative positions will not exceed 100% of the total assets of a Scheme.
5. The fund may also invest into deposits of scheduled commercial banks as permitted under the extant Regulations.
6. The Scheme may invest in derivatives up to 100% of the total assets of the Scheme for the purpose of hedging and portfolio balancing purposes. Further, in line with SEBI circular dated September 27, 2017, the scheme is permitted to imperfectly hedge their portfolio or a part of their portfolio by using Interest Rate Futures These instruments may include instruments such as interest rate swaps, interest rate futures, credit default swaps, forward rate agreements, etc.

Due to market conditions, the AMC may invest beyond the range set out in the asset allocation. Such deviations shall normally be for a short term purpose only, and the intention being at all times to protect the interests of the Unit Holders. In the event of deviations, rebalancing will normally be carried out within 30 days.

The other instruments are further elaborated in the SID, currently only key differentiators have been mentioned.

Where will the scheme invest?

Existing Provisions:

The instruments details have been mentioned in the SID.

The differentiators which have been mentioned vis-à-vis exiting provisions and revised provisions only highlights the key changes.

Revised provisions:

The Scheme will invest the entire corpus in debt and money market securities. There will be no investment in equity and equity related products, where returns have linkages with the equity movement.

1. Securities issued (including debt issuances) by domestic government agencies and statutory bodies, which may or may not be guaranteed by central or state government. This may include instruments like central government securities, state development loans and UDAY bonds, recapitalization bonds, and G-Sec repos.
2. Corporate bonds (including subordinated bonds/perpetual bonds) of public sector or private sector undertakings. Corporate debt instruments such as all debt securities issued by entities like banks, companies, public sector undertakings, municipal corporations, body corporates, warrants, equity linked debentures (with no equity component), compulsorily convertible debenture (with no equity linked returns), capital instruments, etc.
3. Repo in corporate bonds of public sector or private sector undertakings.
4. The fund may also invest into deposits of scheduled commercial banks as permitted under the extant Regulations.
5. Debt issuances of banks (public or private sector) and financial institutions, including capital instruments of banks/Financial institutions/non-banking finance companies.

For the purpose of further diversification and liquidity, the Scheme may invest in other schemes managed by the same AMC or by the asset management company of any other mutual fund without charging any fees on such investments, provided that aggregate inter-scheme investment made in all schemes managed by the same AMC or in schemes managed by the AMC of any other mutual fund shall not exceed 5% of the total asset value of the Mutual Fund.

The other instruments are further elaborated in the SID, currently only key differentiators have been mentioned.

Please note that the particulars mentioned above only provide the material changes. Various forms of representations, disclosures, descriptions, references may vary in the actual disclosure of the scheme information document of the scheme after the effective date.