L&T Mutual Fund
6th Floor, Brindavan, Plot No. 177
C. S. T. Road, Kalina
Santacruz (East), Mumbai 400 098

call 1800 2000 400
email investor.line@lntmf.co.in
www.ltfs.com

L&T Financial Services
Mutual Fund

L&T RESURGENT INDIA CORPORATE BOND FUND

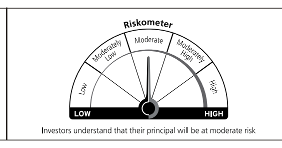
Particulars	Existing Provisions	Revised provisions
Scheme Name	L&T Resurgent India Corporate Bond Fund	L&T Resurgent India Bond Fund
Scheme Category	-	A Medium Duration Fund
Type of the Scheme	An open-ended income scheme	An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years to 4 years (please refer to page no. ______)#

Product Labelling & Riskometer

Existing Provisions

This product is suitable for investors who are seeking*

- Generation of income over medium to long term
- Investment primarily in debt and money market securities of fundamentally strong corporates/companies in growth sectors which are closely associated with the resurgence of domestic economy.

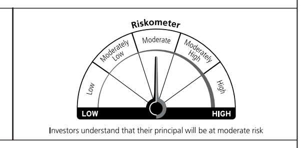


*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Revised provisions

This product is suitable for investors who are seeking*

- Generation of income over medium term
- Investment primarily in debt and money market securities



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

Investment Objective

Existing Provisions

To seek to generate income by investing primarily in debt and money market securities of fundamentally strong corporates/companies in growth sectors which are closely associated with the resurgence of domestic economy, with a flexibility to follow more conservative investment approach during economic downturns.

Revised provisions

To seek to generate income by investing primarily in debt and money market securities.

Asset Allocation

Existing Provisions

Instruments	Indicative allocations (% of net assets)		Risk Profile
	Maximum	Minimum	
Corporate debt instruments* including securitized debt	100%	80%	Low to Medium
Money market instruments	20%	0%	Low to High

*Corporate debt instruments would include all debt securities issued by entities such as banks, companies, Public Sector Undertakings, Municipal Corporations, body corporates, etc. The modified duration of the portfolio of the Scheme will be up to 6 years. The Scheme may invest in securitized debt upto 50% of its net assets.

The Scheme shall invest in repos of corporate bonds up to 10% of its net assets subject to guidelines issued by SEBI and / or RBI on this including framing of guidelines by the Boards of the AMC and Trustees with respect to category of counterparty, credit rating of counterparty, tenor of collateral and applicable haircuts.

The Scheme may invest in Foreign Securities up to 25% of net assets of the Scheme subject to the Eligible Investment Amount. Investment in Foreign Securities shall be subject to the investment restrictions specified by SEBI / RBI from time to time and in accordance with the conditions prescribed under the regulations. The Scheme may invest in derivatives up to 70% of the net assets of the Scheme for the purpose of hedging and portfolio balancing purposes in accordance with conditions as may be stipulated by SEBI/ RBI from time to time.

The cumulative gross exposure through repo transactions in corporate debt securities along with debt and derivative positions will not exceed 100% of the net assets of a Scheme.

Revised provisions

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Maximum	Minimum	
Debt Instruments*	100%	0%	Low to Medium
Money Market Instruments^	100%	0%	Low to Medium
Units issued by REITs and InvITs	10%	0%	Medium to High

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

#Under normal circumstances, the macaulay duration of the portfolio will be between 3 to 4 years. However, portfolio Macaulay duration under anticipated adverse situation will be 1 year to 4 years or such other duration as specified by SEBI from time to time.

Due to market conditions, the AMC may invest beyond the portfolio duration range of 3 to 4 years for short term purpose only, the intention being at all times to protect the interests of the Unit Holders. In the event of such short term deviations, rebalancing will normally be carried out within 30 days. If the fund manager continues to deviate from the portfolio duration range of 3 to 4 years for over a month due to anticipated adverse interest rate situation, the AMC shall record the reasons for the same with adequate justification.

*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. Repo in corporate bonds of public sector or private sector undertakings.
2. The fund may also invest into deposits of scheduled commercial banks as permitted under the extant Regulations.
3. The fund may also enter into "Repo" and Stock Lending. The cumulative gross exposure through debt and derivative positions will not exceed 100% of the total assets of a Scheme
4. The Scheme may invest in securitized debt upto 50% of its total assets.
5. The Scheme may invest in Foreign Securities up to 25% of the total assets of the scheme.
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 may include instruments such as interest rate swaps, interest rate futures, credit default swaps, forward rate agreements, etc.
7. The cumulative gross exposure through debt, REITs, InvITS and derivative positions will not exceed 100% of the total assets of a Scheme.

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

Investment Strategy

Existing Provisions

The Scheme would primarily focus on investing in debt securities of fundamentally strong companies in growth sectors which are closely associated with the resurgence of domestic economy, with a flexibility to follow more conservative investment approach during economic downturns.

The fund manager(s) believes that India is at an inflection point, and the economy has entered a strong, multi-year domestic growth phase and with the help of the Scheme, the AMC proposes to provide fixed income investors a unique opportunity to participate in the India growth revival story.

With the government's thrust on fast policy action and special focus on infrastructure and allied sectors, we believe that the prime beneficiaries are likely to be companies in the following growth sectors – a) infrastructure and allied sectors including banking and financials and b)core industries, manufacturing and consumer goods. Fundamentally strong companies in these growth sectors closely associated with resurgence in domestic economy provides huge opportunity to invest in debt securities at current attractive yields. The Scheme intends to capitalize on investment opportunities in the aforesaid sectors.

The sectors mentioned above are only indicative and this could undergo a change based upon economic cycle.

The Scheme may actively use floating rate instruments and derivative instruments such as Interest Rate Futures, Interest Rate Swaps or any other derivative instruments that are permissible or may be permissible in future under applicable regulations including in order to hedge or reduce the interest rate risk of the portfolio in accordance with the investment objective of the Scheme.

The portfolio will be constructed and actively managed within the specified modified duration range to generate returns to match the investment objective and to maintain adequate liquidity to accommodate funds movement. The fund management team will take an active view of the interest rate movement supported by quantitative research, to include various parameters of the Indian economy, as well as developments in global markets. Investment views/decisions will be a combination of credit analysis of individual exposures and analysis of macro-economic factors to estimate the direction of interest rates and level of liquidity and will be taken, inter alia, on the basis of the following parameters:

1. Prevailing interest rate scenario
2. Returns offered relative to alternative investment opportunities
3. Quality of the security/instrument (including the financial health of the issuer)
4. Maturity profile of the instrument
5. Liquidity of the security
6. Any other factors considered relevant in the opinion of the fund management team.

The fund management team, supported by credit research group will generally adopt a combination of top down and bottom-up approach for securities identification to optimise the risk adjusted returns on the diversified portfolio. The credit quality of the portfolio will be maintained and monitored using the in-house research capabilities as well as the inputs from the independent credit rating agencies. Investments in debt instruments carry various risks such as interest rate risk, liquidity risk, default risk, reinvestment risk etc. Whilst such risks cannot be eliminated, they may be minimized by diversification and effective use of hedging techniques. Further, the portfolio of the Scheme will be constructed in accordance with the investment restriction specified under the Regulations which would help in mitigating certain risks relating to investments in securities market.

The Scheme may invest upto 70% of the net assets of the Scheme in derivatives for the purpose of hedging and portfolio balancing purposes. Hedging does not mean maximization of returns but only attempts to reduce systemic or market risk that may be inherent in the investment.

The Scheme may also invest in permitted Foreign Securities for diversification.

Further, the portfolio of the Scheme will be constructed in accordance with the investment restrictions specified under the Regulations which would help in mitigating certain risks relating to investments in securities market.

Revised provisions

The portfolio will be constructed and actively managed within the specified modified duration range to generate returns to match the investment objective and to maintain adequate liquidity to accommodate funds movement. The fund management team will take an active view of the interest rate movement supported by quantitative research, to include various parameters of the Indian economy, as well as developments in global markets. Investment views/decisions will be a combination of credit analysis of individual exposures and analysis of macro-economic factors to estimate the direction of interest rates and level of liquidity and will be taken, inter alia, on the basis of the following parameters:

1. Prevailing interest rate scenario
2. Returns offered relative to alternative investment opportunities
3. Quality of the security/instrument (including the financial health of the issuer)
4. Maturity profile of the instrument
5. Liquidity of the security
6. Any other factors considered relevant in the opinion of the fund management team.

The fund management team, supported by credit research group will generally adopt a combination of top down and bottom-up approach for securities identification to optimise the risk adjusted returns on the diversified portfolio. The credit quality of the portfolio will be maintained and monitored using the in-house research capabilities as well as the inputs from the independent credit rating agencies. Investments in debt instruments carry various risks such as interest rate risk, liquidity risk, default risk, reinvestment risk etc. Whilst such risks cannot be eliminated, they may be minimized by diversification and effective use of hedging techniques. Further, the portfolio of the Scheme will be constructed in accordance with the investment restriction specified under the Regulations which would help in mitigating certain risks relating to investments in securities market.

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. Units issued by REITs and InvITs.
4. Repo in corporate bonds of public sector or private sector undertakings.
5. The fund may also invest into deposits of scheduled commercial banks as permitted under the extant Regulations.
6. Debt issuances of banks (public or private sector) and financial institutions, including capital instruments of banks/Financial institutions/non-banking finance companies.

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.

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.

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.

The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.

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.