6th Floor, Brindavan, Plot No. 177 C. S. T. Road, Kalina Santacruz (East), Mumbai 400 098 call 1800 2000 400 email investor.line@Intmf.co.in www.ltfs.com



L&T MUTUAL FUND

6th Floor, Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098 Call: 1800 2000 400

E-mail: <u>investor.line@lntmf.co.in</u> Website: <u>www.ltfs.com</u>

Addendum (No. 43 of F.Y. 2022 – 2023)

Changes in the features of L&T Flexi Bond Fund

Unitholders are hereby informed that in terms of notice dated October 15, 2022 on and from the close of business hours on November 25, 2022, the revised provisions of L&T Flexi Bond Fund will be as under:

Key Features: Dynamic Bond Fund

Description	HSBC Corporate Bond Fund	HSBC Flexi Debt Fund	L&T Flexi Bond Fund	HSBC Dynamic Bond Fund
	Scheme Getting Merged ("Transferor	Scheme Getting Merged	Scheme with which Transferor Scheme	(Erstwhile known as L&T Flexi Bond
	Scheme ")	("Transferor Scheme ")	is to be Merged ("Transferee Scheme")	Fund)
				("Surviving scheme")
Type of	An open ended debt scheme	An open ended dynamic debt scheme	An open-ended dynamic debt scheme	An open ended dynamic debt scheme
scheme	predominantly investing in AA+ and	investing across duration. relatively	investing across duration. A relatively high	investing across duration. A relatively high
	above rated corporate bonds. Relatively	high interest rate risk and relatively low	interest rate risk and relatively low credit	interest rate risk and relatively low credit
	moderate interest rate risk and relatively	credit risk.	risk.	risk.
	low credit risk			
Investment	To seek to generate reasonable income	To deliver returns in the form of interest	To generate reasonable returns through a	To deliver returns in the form of interest
Objective	and provide risk-adjusted returns by	income and capital gains, along with	diversified portfolio of fixed income	income and capital gains, along with high
	investing primarily in AA+ and above	high liquidity, commensurate with the	securities. There is no assurance that the	liquidity, commensurate with the current
	rated corporate debt securities. However,	current view on the markets and the	objective of the Scheme will be realised	view on the markets and the interest rate
	there can be no assurance or guarantee	interest rate cycle, through active	and the Scheme does not assure or	cycle, through active investment in debt and
	that the investment objective of the	investment in debt and money market	guarantee any returns.	money market instruments. However, there
	scheme would be achieved.	instruments. However, there can be no		can be no assurance or guarantee that the
		assurance or guarantee that the		investment objective of the scheme would be
				achieved.

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Description	HSBC Corpo Scheme Gett Scheme ")				HSBC Flexi Scheme ("Transfero	Gett	ing	Merged	L&T Flexi Bor Scheme with v is to be Mergeo	vhich [Γransfer		() F	HSBC Dynam Erstwhile kr Fund) "Surviving so	nown a	as L&T l	Flexi Bond
					investment would be ach	ieved.											
Asset Allocation	Under norm anticipated the Scheme will be	at the a	sset alloc	,	Under normanticipated to the Scheme	hat the	asset allo	ocation of	Under norma anticipated that Scheme will be	the as	set alloca	,	tl	Under normal on the state of the asset als follows:			
	Instruments	Indica Alloc (% of assets	ation net	Risk Profile	Instruments	Indic Alloc (% or asset	cation f net	Risk Profile	Instruments	Indica Alloc (% of assets	ation net	Risk Profile		Instruments	Indica Alloca (% of assets	ation net	Risk Profile
		Mini mum	Maxim um			Mini mum	Maxim um			Mini mum	Maxim um				Mini mum	Maximu m	
	Corporate Bonds rated AA+ and Above Corporate Bonds rated AA and below, including securitized	80%	100%	Low to Medium	Debt and money market instruments	0%	100%	Low to Medium	Debt Instruments*	0%	100%	Low to Medium		Debt and money market instruments	0%	100%	Low to Medium
		0%	20%	Medium to High	If the Sche securitised de Investment	ebt, it is Mana	the intent ger tha	tion of the at such	Market instruments^ Units issued		100%	Low to Medium		Units issued by REITs and InvITs	0%	10%	Medium to High
					investments 50% of the c the Scheme of securities in	orpus of decides	f the Sche to invest	eme and if in foreign	by REITs and InvITs			to High	In a	nvestments wasset allocation	on of	the Schen	ne and the
	debt* Money market	0%	20%	Low	it is the int Manager tha normally exc	ention t such in	of the Investment	nvestment s will not,	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.			ne and the	applicable SEBI and / or AMFI guidelines as specified from time to time. If the Scheme decides to invest in securitised debt, it is the intention of the Investment Manager that such investments will not				

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	T			_	T	T	F
Description	HSBC Corpo				HSBC Flexi Debt Fund	L&T Flexi Bond Fund	HSBC Dynamic Bond Fund
	Scheme Gett	ting Me	erged ('"	Transferor	Scheme Getting Merged	Scheme with which Transferor Scheme	(Erstwhile known as L&T Flexi Bond
	Scheme '')				("Transferor Scheme ")	is to be Merged ("Transferee Scheme")	Fund)
		1	1				("Surviving scheme")
	instruments				Scheme. No investments shall be made	*Debt instruments would include all debt	normally exceed 40% of the net assets of the
	including				in foreign securitised debt.	securities issued by entities such as banks,	Scheme.
	cash and				The net notional exposure to derivative	companies, public sector undertakings,	The Scheme will take exposure in repos of
	cash				shall not be more than 75% of the net	municipal corporations, body corporates,	corporate bonds up to 10%.
	equivalents				assets. Investments in derivatives would	warrants, equity linked debentures (with	Pending deployment of funds, the Scheme
	and debt				be in accordance with the SEBI	no equity component), compulsorily	may invest them into deposits of scheduled
	instruments				Regulations.	convertible debenture (with no equity	commercial banks as permitted under the
	issued by					linked returns), capital instruments	extant Regulations.
	central and					including Basel III bonds, central	The Scheme may engage in short selling and
	state					government securities, state development	securities lending In case of securities
	governmen					loans and UDAY bonds, recapitalization	lending, the Scheme may take exposure up to
	ts					bonds, municipal bonds and G-Sec repos	20% of net assets and not more than 5% of
	LS					and any other instruments as permitted by	the net assets of the Scheme shall be
	Units of	0%	10%	Medium		regulators from time to time.	deployed in securities lending to any single
	REITs and			_		^Money market instruments would include	counter-party/intermediary.
	InVITs			То		certificate of deposits, commercial papers,	
				high		T-bills, repo, reverse repos and TREP, bill	The Scheme may invest in derivatives up to
						rediscounting, bills of exchange /	50% of the total debt assets of the Scheme
	^ Net assets	exclu	ding the	extent of		promissory notes, standby letter of credit	for the purpose of hedging and portfolio
	minimum stip	ulated l	liquid ass	sets in terms		(SBLC) backed commercial papers and	balancing purposes. Further, in line with
	of SEBI circu	lar date	d June 2	5, 2021.		government	SEBI circular dated September 27, 2017, the
	* If the Sch	neme d	ecides to	o invest in		securities having unexpired maturity of 1	Scheme is permitted to imperfectly hedge
	securitised de	bt, it is	the inter	ntion of the		year and such other instruments as eligible	their portfolio or a part of their portfolio by
	Investment	Mana	ger tl	hat such		from time to time.	using Interest Rate Futures. These
	investments			ally exceed		1. The Scheme may also enter into	instruments may include instruments such as
	20% of the 6					"Repo" and "Stock Lending".	interest rate swaps, interest rate futures,
	investments					2. The Scheme may invest in securitized	credit default swaps, forward rate
	securitized de			J		debt upto 50% of its total assets.	agreements, etc.
						3. The Scheme will take exposure in	
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	1		T	
Description	HSBC Corporate Bond Fund	HSBC Flexi Debt Fund	L&T Flexi Bond Fund	HSBC Dynamic Bond Fund
	Scheme Getting Merged ("Transferor	Scheme Getting Merged	Scheme with which Transferor Scheme	(Erstwhile known as L&T Flexi Bond
	Scheme ")	("Transferor Scheme ")	is to be Merged ("Transferee Scheme")	Fund)
	TTI C. I. III		6 1 . 1 100/	("Surviving scheme")
	The Scheme shall not invest in foreign		repos of corporate bonds up to 10%	Investments in derivatives would be in
	securities. The Scheme shall under		and Foreign Securities up to 25% of	accordance with the SEBI Regulations.
	normal circumstances not have exposure		total assets of the Scheme.	The Scheme shall not invest in foreign
	of more than 50% of its net assets in		4. The Scheme may also invest into	securities.
	derivative instruments (including Interest		deposits of scheduled commercial	The Scheme may participate in instruments
	Rate Swaps, Interest Rate Forwards,		banks as permitted under the extant	with special features including Additional
	Interest Rate Futures, Forward Rate		Regulations.	Tier 1 bonds and Additional Tier 2 bonds as
	Agreements and any such other		5. The Scheme may invest in derivatives	prescribed under SEBI circular no
	derivative instruments permitted by		up to 100% of the total assets of the	SEBI/HO/IMD/DF4/CIR/P/2021/032 dated
	SEBI/RBI from time to time).		Scheme for the purpose of hedging	10th March 2021 and any other guidelines
	Investments in derivatives would be in		and portfolio balancing purposes.	issues by SEBI from time to time. As per the
	accordance with the SEBI Regulations.		Further, in line with SEBI circular	extant regulatory guidelines, the Scheme
	The cumulative gross exposure through		dated September 27, 2017, the	shall not invest—
	repo transaction in corporate debt		Scheme is permitted to imperfectly	
	security along with debt & money market		hedge their portfolio or a part of their	a. more than 10% of its net assets in such
	instruments, REIT & InvIT units and		portfolio by using Interest Rate	instruments; and
	derivative positions, shall not exceed		Futures. These instruments may	b. more than 5% of its net assets in such
	100% of net assets of the Scheme.		include instruments such as interest	instruments issued by a single issuer.
	Subject to compliance with 'Restrictions		rate swaps, interest rate futures, credit	The cumulative gross exposure through,
	on Investment in debt instruments having		default swaps, forward rate	debt, REITs and InvITs, derivative positions
	Structured Obligations / Credit		agreements, etc.	including fixed income derivatives, repo
	Enhancements' as prescribed		Due to market conditions, the AMC	transactions and credit default swaps in
	under SEBI circular no.		may invest beyond the range set out in	corporate debt securities, and such other
	SEBI/HO/IMD/DF2/CIR/P/2019/104		the asset allocation. Such deviations	securities/assets as may be permitted by
	dated October 01, 2019, the investment of		shall normally be for a short term	SEBI from time to time, subject to approval,
	Scheme in fixed income instruments		purpose only, and the intention being	if any, shall not exceed 100% of the net assets
	having Structured Obligations shall not		at all times to protect the interests of	of the Scheme.
	exceed 30% of the net assets of the		the Unit Holders. In the event of	The Scheme may participate in Credit
	scheme. All investments shall be made			Default Swap (CDS) transactions in line with

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Scl	SBC Corporate Bond Fund cheme Getting Merged ("Transferor cheme")	HSBC Flexi Debt Fund Scheme Getting Merged ("Transferor Scheme")	L&T Flexi Bond Fund Scheme with which Transferor Scheme is to be Merged ("Transferee Scheme")	HSBC Dynamic Bond Fund (Erstwhile known as L&T Flexi Bond Fund) ("Surviving scheme")
of : The len und sha of : Scl	investment. The Scheme may participate in securities and as permitted by SEBI. However, ander normal circumstances, the Scheme all not have exposure of more than 20% its net assets in securities lending. The cheme shall not participate in short lling.		deviations, rebalancing will normally be carried out within 30 days. The cumulative gross exposure through, debt, derivative positions including fixed income derivatives, repo transactions and credit default swaps in corporate debt securities, and such other securities/assets as may be permitted by SEBI from time to time shall not exceed 100% of the net assets of the Scheme.	the guidelines issued by SEBI / RBI from time to time. As per the extant regulatory guidelines, the exposure to a single counterparty in CDS transactions shall not exceed 10% of the net assets of the Scheme. The total exposure related to premium paid for all derivative positions, including CDS, shall not exceed 20% of the net assets of the Scheme. All investments shall be subject to compliance with 'Restrictions on Investment in debt instruments having Structured Obligations / Credit Enhancements' as prescribed under SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 01, 2019and any other guidelines issued by SEBI from time to time. As per extant regulatory guidelines, the Scheme shall not invest more than 10% of its net assets in following instruments: a. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and b. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.

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Description HSBC Corporate Bond Fund Scheme Getting Merged ("Transferor Scheme")	HSBC Flexi Debt Fund Scheme Getting M ("Transferor Scheme")	L&T Flexi Bond Fund Scheme with which Transferor Scheme is to be Merged ("Transferee Scheme")	HSBC Dynamic Bond Fund (Erstwhile known as L&T Flexi Bond Fund) ("Surviving scheme")
			All investments shall be made based on the rating prevalent at the time of investment.
			Due to market conditions, the AMC may invest beyond the range set out in the asset allocation. Such deviations shall normally be for short term and defensive considerations as per SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 4, 2021, and the fund manager will rebalance the portfolio within 30 calendar days from the date of deviation. Further, as per SEBI Circular no. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2022/39 dated March 30, 2022, as may be amended from time to time, in the event of deviation from mandated asset allocation due to passive breaches (occurrence of instances not arising out of omission and commission of the AMC), the fund manager shall rebalance the portfolio of the Scheme within 30 Business Days. In case the portfolio of the Scheme is not rebalanced within the period of 30 Business Days, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee of the AMC. The Investment Committee, if it so desires, can extend the timeline for

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BSBC Corporate Bond Fund Scheme Getting Merged ("Transferor Scheme") Scheme Getting Getting Merged ("Transferor Scheme") Scheme Getting Getting Merged ("Transferor Scheme") Scheme with which Transferor Scheme") Scheme Getting Getting Merged ("Transferor Scheme") Scheme With Merged ("Transferor Scheme") Scheme Getting Getting Get		T			
The Scheme would invest prodominantly investment team will carry out in terest rate movement sportfolio. The investment team will carry out in the first rated agreement of each security. The Scheme would largely maintain high credit quality portfolio. The investment team will carry out in the first retail and a largely maintain high credit quality portfolio. The investment team will carry out in the first rated evaluation of the debt instrument to the investment team will carry out in the first rated and interest rate environment. The extraction of interest rate environment. The investment team will carry out in the first rated instrument. The recitie evaluation will include financial position. The Scheme ("Transferee Scheme") Found hanged ("Surviving scheme")	Description				
Investment Strategy The Scheme would invest predominantly in corporate debt securities across and anobyer for the purpose of achieving the investment objective. The Scheme will largely be exposed to shorter to medium term fixed income yieldcure, with frous to increase its accrual via selective and opportunistic exposure to corporate bonds and money market instruments. The security selection would be driven by investment team's view on credit spreads, liquidity and the risk reward assessment of each security. The Scheme would largely maintain high credit evaluation of the debt instrument to be invested in. The credit evaluation of it afalling interest rate environment. The investment is the investment to be invested in. The credit evaluation of the debt instrument to be invested in. The credit evaluation of it he debt instrument to be invested in. The credit evaluation will include financial position of mandated to a form the date of completion of mandated plus extended timelines the AMC shall comply with the prescribed restrictions, the reporting and discolaure replancing period. Further, in case the portfolio is not rebalanced within the aforementioned mandated plus extended timelines the AMC shall comply with the prescribed restrictions, the reporting and discolaure replancing period. Further, in case the portfolio will be constructed and scievaluation of mandated to mandated plus extended timelines the AMC shall comply with the prescribed restrictions, the reporting and discolaure replancing period. Further, in case the portfolio will be constructed and scievaluation of mandated to push a section and the proscribed restrictions, the portfolio will be constructed and actively managed to generate returns to match the investment objective and to can mandate plus extended timelines the AMC shall comply with the prescribed restrictions, the reporting and discolaure requirements as possible circular dated March 30, 2022 The Scheme can invest across all classes of fixed income instruments. The rewill be no cap or			0		· ·
Investment Strategy The Scheme would invest predominantly in corporate debt securities across maturities which are rated AA+ and above for the purpose of achieving the investment objective. The Scheme will largely be exposed to shorter to medium term fixed income yield curve, with focus to increase its accrual via selective and opportunistic exposure to corporate bonds and money market instruments. The scurity selection would be driven by investment team will cargely maintain high credit quality portfolio. The investment team will carry out in depth credit evaluation of the debt instrument to be invested in The credit evaluation of the debt instrumen		Scheme ")	("Transferor Scheme ")	is to be Merged ("Transferee Scheme")	
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evaluation will include financial position aim to capture positive price movements the basis of the following parameters: securities subject to the limits indicated		*	Ç.		
LOTTING INNIEL GAIGHIAI CIGUL TAHURS I LEGI		of the issuer, external credit ratings	ann to capture positive price movements	1. Prevailing interest rate scenario	under "Investment Restrictions for the

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	T			
Description	HSBC Corporate Bond Fund	HSBC Flexi Debt Fund	L&T Flexi Bond Fund	HSBC Dynamic Bond Fund
	Scheme Getting Merged ("Transferor	Scheme Getting Merged	Scheme with which Transferor Scheme	(Erstwhile known as L&T Flexi Bond
	Scheme ")	("Transferor Scheme ")	is to be Merged ("Transferee Scheme")	Fund)
				("Surviving scheme")
	opinions, operational metrics, past track	and minimise the impact of adverse	2. Returns offered relative to alternative	Scheme(s)" prescribed in this SID, from
	record as well as the future prospects of	price movements.	investment opportunities.	issuers of repute and sound financial
	the issuer.	Since disciplined investing requires risk	3. Quality of the security/instrument	standing. If investment is made in unrated
		management, the AMC would	(including the financial health of the	debt securities, the approval of the Board of
		incorporate adequate safeguards for	issuer)	the AMC and the Trustees or the Investment
		controlling risks in the portfolio	4. Maturity profile of the instrument	Management Committee (within the broad
		construction process.	5. Liquidity of the security	parameters approved by the Board of the
		The Scheme may invest in unlisted and	6. Any other factors considered relevant	AMC and the Trustees) shall be obtained, as
		/ or privately placed and / or unrated	in the opinion of the fund management	per the Regulations.
		debt securities subject to the limits	team.	
		indicated under "Investment	The fund management team supported by	As per the asset allocation pattern indicated
		Restrictions for the Scheme(s)"	credit research group will generally adopt	above, for investment in debt securities and
		prescribed in this SID, from issuers of	a bottom-up approach for securities	money market instruments, the Scheme may
		repute and sound financial standing. If	identification to optimise the risk adjusted	invest a part of the portfolio in various debt
		investment is made in unrated debt	returns on the diversified portfolio. The	securities issued by corporates and / or state
		securities, the approval of the Board of	credit quality of the portfolio will be	and central government. Such government
		the	maintained and monitored using the in-	securities may include securities which are
		AMC and the Trustees or the Investment	house research capabilities as well as the	supported by the ability to borrow from the
		Management Committee (within the	inputs from the independent credit rating	treasury or supported only by the sovereign
		broad parameters approved by the Board	agencies.	guarantee or of the state government or
		of the AMC and the Trustees) shall be	Investments in debt instruments carry	supported by GOI / state government in some
		obtained, as per the Regulations.	various risks such as interest rate risk,	other way.
		As per the asset allocation pattern	liquidity risk, default risk, reinvestment	
		indicated above, for investment in debt	risk etc. Whilst such risks cannot be	With the aim of controlling risks, rigorous in-
		securities and money market	eliminated, they may be minimized by	depth credit evaluation of the instruments
		instruments, the Fund may invest a part	diversification and effective use of	proposed to be invested in will be carried out
		of the portfolio in various debt securities	hedging.	by the Investment Team of the AMC. The
		issued by corporates and / or state and	The Scheme may invest in derivatives upto	credit evaluation includes a study of the
		central government. Such government	100% of the total assets of the Scheme for	operating environment of the company, the

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Description HSBC Corporate Bond Fund Scheme Getting Merged ("Transferor Scheme")	("Transferor Scheme ")	L&T Flexi Bond Fund Scheme with which Transferor Scheme is to be Merged ("Transferee Scheme")	HSBC Dynamic Bond Fund (Erstwhile known as L&T Flexi Bond Fund) ("Surviving scheme")
	securities may include securities which are supported by the ability to borrow from the treasury or supported only by the sovereign guarantee or of the state government or supported by GOI / state government in some other way. With the aim of controlling risks, rigorous in-depth credit evaluation of the instruments proposed to be invested in will be carried out by the Investment Team of the AMC. The credit evaluation includes a study of the operating environment of the company, the past track record as well as the future prospects of the issuer, the short as well as long-term financial health of the issuer. The AMC will also be guided by the ratings of rating agencies such as CRISIL, CARE and ICRA or any other rating agency as approved by the regulators. In addition, 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	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 offshore instruments for diversification.	past track record as well as the future prospects of the issuer, the short as well as long-term financial health of the issuer. The AMC will also be guided by the ratings of rating agencies such as CRISIL, CARE and ICRA or any other rating agency as approved by the regulators. In addition, 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 Scheme may invest in other Scheme managed by the AMC or in the schemes of any other mutual fund, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments.

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Description	HSBC Corporate Bond Fund	HSBC Flexi Debt Fund	L&T Flexi Bond Fund	HSBC Dynamic Bond Fund
•	Scheme Getting Merged ("Transferor	Scheme Getting Merged	Scheme with which Transferor Scheme	(Erstwhile known as L&T Flexi Bond
	Scheme ")	("Transferor Scheme")	is to be Merged ("Transferee Scheme")	Fund)
				("Surviving scheme")
		rates and position the portfolio		
		appropriately to take advantage of the		
		same.		
		The Scheme may invest in other Scheme		
		managed by the AMC or in the schemes		
		of any other mutual fund, provided it is		
		in conformity with the investment		
		objectives of the Scheme and in terms of		
		the prevailing Regulations. As per the		
		Regulations, no investment management fees will be charged for		
		such investments.		
		such investments.		
Tier 1	NIFTY Short Duration Debt Index A-II	CRISIL Dynamic Bond Fund A-III	NIFTY Composite Debt Index A-III	CRISIL Dynamic Bond Fund A-III Index
Benchmark		Index	1	•
Index				
Plan /	Growth – Regular	Growth - Regular	Growth- Regular	Growth- Regular
Options	Growth – Direct	 Growth – Direct 	Growth – Direct	• Growth – Direct
/Sub-	• Income Distribution cum Capital	• Income Distribution cum Capital	Income Distribution cum Capital	• Income Distribution cum Capital
options	Withdrawal Option (IDCW) -	Withdrawal Option (IDCW) -	Withdrawal Option (IDCW) - Regular	Withdrawal Option (IDCW) - Regular
	Regular	Regular	Income Distribution cum Capital	• Income Distribution cum Capital
	Income Distribution cum Capital		Withdrawal Option (IDCW) – Direct	Withdrawal Option (IDCW) – Direct
	Withdrawal Option (IDCW) – Direct	Withdrawal Option (IDCW) –	- Payout of IDCW –Annual	- Payout of IDCW- Monthly, and, Annual
	- Payout of IDCW- Monthly,	Direct	- Reinvestment IDCW –Annual	- Reinvestment IDCW -, Monthly, ,
	Quarterly & Half yearly	- Payout of IDCW- Monthly ,		Annual
	- Reinvestment IDCW –Monthly ,	Quarterly and Half yearly		
	Quarterly, & Half yearly	- Reinvestment IDCW -		
		Fortnightly , Monthly ,		

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Description	HSBC Corporate Bond Fund Scheme Getting Merged ("Transferor Scheme")	HSBC Flexi Debt Fund Scheme Getting Merged ("Transferor Scheme")	L&T Flexi Bond Fund Scheme with which Transferor Scheme is to be Merged ("Transferee Scheme")	HSBC Dynamic Bond Fund (Erstwhile known as L&T Flexi Bond Fund) ("Surviving scheme")
Loads (Including SIP / STP where applicable)	Entry Load*: Nil Exit Load: Nil In terms of SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009, no entry load will be charged to the investor effective August 1,	Quarterly and Half yearly Entry Load*: Nil Exit Load: Nil In terms of SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009, no entry load will be charged to the investor effective August	Entry Load*: Nil Exit Load: Within 1 year from the date of allotment or purchase applying First in First Out Basis – 0.5% After 1 year from the date of allotment or	Entry Load*: Not Applicable Exit Load: Nil *In terms of SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009, no entry load will be charged to the investor effective August 1, 2009
Liquidity	Being an open ended Scheme, Units may be purchased or redeemed on every Business Day at NAV based prices, subject to provisions of exit load, if any. The Fund will, under normal circumstances, endeavour to despatch redemption proceeds within 10 Business Days.	I, 2009. Being an open ended Scheme, Units may be purchased or redeemed on every Business Day at NAV based prices, subject to provisions of exit load, if any. The Fund will, under normal circumstances, endeavour to dispatch redemption proceeds within 1 Business Day.	Purchase applying First in First Out Basis-Nil The Scheme will offer Units for Purchase and Redemption at Applicable NAV on every Business Day. The Mutual Fund will endeavour to dispatch the Redemption proceeds within 3 Business Days from the date of acceptance of the Redemption request.	Being an open ended Scheme, Units may be purchased or redeemed on every Business Day at NAV based prices, subject to provisions of exit load, if any. The Fund will, under normal circumstances, endeavour to dispatch redemption proceeds within 3 Business Day. It may be noted that units under Segregated Portfolio, if any, cannot be
PRC	A II	It may be noted that units under Segregated Portfolio, if any, cannot be redeemed or purchased. However the unit of Segregated Portfolio will be listed on the recognised Stock Exchange. A III	A III	redeemed or purchased. However the unit of Segregated Portfolio will be listed on the recognised Stock Exchange. A III
Segregated Portfolio	Enabled	Enabled	Enabled	Enabled (Definition of Credit Event is modified as under to include trigger date for instruments with special features as prescribed under SEBI circular no

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Description	HSBC Corporate Bond Fund	HSBC Flexi Debt Fund	L&T Flexi Bond Fund	HSBC Dynamic Bond Fund
Zescription	Scheme Getting Merged ("Transferor Scheme")	Scheme Getting Merged ("Transferor Scheme ")	Scheme with which Transferor Scheme is to be Merged ("Transferee Scheme")	(Erstwhile known as L&T Flexi Bond Fund)
	,	(is to so rieigen (11 missoret seneme)	("Surviving scheme")
				SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021)
Definition	Credit Event (With respect to creation	Credit Event (With respect to	Creation of Segregated Portfolio	Creation of Segregated Portfolio
of Credit	of a Segregated Portfolio):	creation of a Segregated Portfolio):	Creation of Segregated Portfolio shall be	Creation of Segregated Portfolio shall be
Event (for	Credit Event refers to issuer level	Credit Event refers to issuer level	subject to guidelines specified by SEBI	subject to guidelines specified by SEBI
'Creation of	downgrade in credit rating by a SEBI	downgrade in credit rating by a SEBI	from time to time and includes the	from time to time and includes the
segregated	registered Credit Rating Agency (CRA),	registered Credit Rating Agency (CRA),	following:	following:
portfolio')	as under:	as under:	1) Segregated Portfolio may be created, in	1) Segregated Portfolio may be created, in
	a. Downgrade of a debt or money market instrument to 'below investment grade', or	a. Downgrade of a debt or money market instrument to 'below investment grade', or	case of a Credit Event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:	case of a Credit Event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:
	b. Subsequent downgrades of the said instruments from 'below investment grade', or	b. Subsequent downgrades of the said instruments from 'below investment grade', or	 a. Downgrade of a debt or money market instrument to 'below investment grade', or b. Subsequent downgrades of the said 	 a. Downgrade of a debt or money market instrument to 'below investment grade', or b. Subsequent downgrades of the said
	c. Similar such downgrades of a loan rating	c. Similar such downgrades of a loan rating	instruments from 'below investment grade', or c. Similar such downgrades of a loan	instruments from 'below investment grade', or c. Similar such downgrades of a loan
	In case of difference in rating by multiple CRAs, the most conservative rating shall be considered.	In case of difference in rating by multiple CRAs, the most conservative rating shall be considered.	rating. 2) In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of	rating. 2) Trigger of a pre-specified event for loss absorption in case of debt instruments with special features such as
	In case of unrated debt or money market instruments of an issuer that does not have any outstanding rated debt or money market instruments, actual default of	In case of unrated debt or money market instruments of an issuer that does not have any outstanding rated debt or money market instruments, actual	Segregated Portfolio shall be based on issuer level Credit Events as mentioned above and implemented at the ISIN level.	subordination to equity (absorption of losses before equity capital) and/or conversion to equity upon trigger of a pre-specified event for loss absorption.

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-	rporate Bond Fund letting Merged ("Transferor	HSBC Flexi Debt Fund Scheme Getting Merged ("Transferor Scheme")	L&T Flexi Bond Fund Scheme with which Transferor Scheme is to be Merged ("Transferee Scheme")	HSBC Dynamic Bond Fund (Erstwhile known as L&T Flexi Bond Fund) ("Surviving scheme")
the issuer considered of Segrega Note: The Portfolio, accordance amended in Segregated	of such instruments shall be as a Credit Event for creation ated Portfolio. AMC may create a Segregated in case of a Credit Event in e with SEBI guidelines as from time to time. Creation of a Portfolio shall be optional and retion of the AMC.	default of either the interest or principal amount by the issuer of such instruments shall be considered as a Credit Event for creation of Segregated Portfolio. Note: The AMC may create a Segregated Portfolio, in case of a Credit Event in accordance with SEBI guidelines as amended from time to time. Creation of Segregated Portfolio shall be optional and at the discretion of the AMC.	 3) In case of unrated debt or money market instruments of an issuer that does not have any outstanding rated debt or money market instruments, actual default of either the interest or principal amount by the issuer of such instruments shall be considered as a Credit Event for creation of Segregated Portfolio. 4) Creation of Segregated Portfolio is optional and is at the discretion of the AMC. 	In case of debt instruments with specia features mentioned above, if the instrument is to be written off or converted to equity pursuant to any proposal, the date of said proposal may be treated as the Trigger Date. However, if the said instruments are written off or converted to equity without proposal, the date of write off or conversion of deb instrument to equity may be treated as the Trigger Date. 3) In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of Segregated Portfolio shall be based on issuer leve Credit Events as mentioned above and implemented at the ISIN level. 4) In case of unrated debt or money market instruments of an issuer that does no have any outstanding rated debt or money market instruments, actual default or either the interest or principal amount by the issuer of such instruments shall be considered as a Credit Event for creation of Segregated Portfolio. 5) Creation of Segregated Portfolio is optional and is at the discretion of the AMC.

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A. Risk factors related to investments in Structured Obligations (SO) / Credit Enhancements (CE):

Structured Obligations (SO) are complex financial instruments issued by entities intending to improve their financing profile with the help of non-conventional financial instruments. Credit Enhancement (CE) rating is assigned by Credit Rating agencies to a debt security based on an identifiable credit enhancement for the security which could be in the form of letter of comfort, guarantee, shortfall undertaking etc. from another entity than the issuer, related or not related to the issuer. CE could additionally include pledging of equity shares listed on a stock exchange with a suitable haircut. Apart from standard risks related to debt instruments, these instruments are further exposed the below risks:

Liquidity Risk: SO rated securities are often complex structures, with a variety of credit enhancements. Debt securities generally lack a well-developed secondary market in India, and due to the credit enhanced nature of CE securities as well as structured nature of SO securities, the liquidity in the market for these instruments is shallow compared to similar rated conventional debt instruments. Hence, lower liquidity of such instruments, could lead to inability of the scheme to exit such debt instruments when required and generate liquidity for the scheme or lead to higher impact cost when such instruments are sold impacting portfolio returns.

Credit Risk: Securities which have a structure with a guarantee from the corporate / promoter, may see an adverse effect if there are any signs of stress at the promoter / group level, even though the standalone borrowing entity's debt servicing capability and repayments may not see any material impact, from a future cash flow perspective. CEs are exposed to credit risk pertaining not only to the issuer of the security but also to the entity providing the credit enhancement. The credit risk of debt instruments which are CE rated is based on the combined strength of the issuer as well as the structure. Hence, any weakness in either the issuer or the structure could have an adverse credit impact on the debt instrument. The weakness in structure could arise due to inability of the investors to enforce the structure due to issues such as legal risk, inability to sell the underlying collateral or enforce guarantee, etc. Therefore, apart from issuer level credit risk such debt instruments are also susceptible to structure related credit risk.

B. Risk factors associated with investments in Perpetual Debt Instruments (PDI) including Additional Tier-1 and Tier-2 bonds

The scheme may invest in certain debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a pre-specified event for loss absorption including Additional Tier I bonds and Tier 2 bonds issued under Basel III framework (known as perpetual debt instruments). PDIs are instruments issued by the borrower to strengthen their capital structure and as the name suggests these instruments do not have a specific maturity date but have an embedded call option instead and maybe less liquid than conventional debt instruments. These bonds are subordinate to all other debt and only senior to equity capital. The issuer may call or redeem the bonds on the call exercise date if they can refinance the issue at a cheaper rate, especially when interest rates are declining. The issuers of such instruments could be Banks, NBFCs and Corporates. PDIs issued by Banks and NBFCs fall under scope of Reserve Bank of India (RBI)'s guidelines for Basel III capital regulations. These are also referred to as Additional Tier I (AT1 bonds). However, there are no regulatory guidelines for issuance of PDIs by Corporates.

Since PDIs have special features other than usual non-convertible bonds, there are additional risks associated with such instruments which are listed below –

Risk related to coupon servicing -

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Banks - As per the terms of the instruments, Banks may have discretion at all times to cancel distributions/payment of coupons. In the event of non-availability of adequate distributable reserves and surpluses or inadequacy in terms of capital requirements, RBI may not allow banks to make payment of coupons. These bonds may not be permitted to pay these coupons if the Bank's financial position improves subsequently (non-cumulative)

NBFCs - While NBFCs can defer/postpone payment of coupon in case paying the coupon leads to breach of capital ratios, they also have discretion at all times to cancel payment of coupon.

Corporates - Corporates usually have discretion to defer the payment of coupon. However, the coupon is usually cumulative and any deferred coupon shall accrue interest at the original coupon rate of the PDI.

Risk of write down or conversion to equity -

In the event of shortfall in maintenance of capital adequacy ratios and/or Point of Non Viability Trigger (PONV – a point defined by RBI when a bank is deemed to have become non-viable unless appropriate measures are taken to revive its operations or infusion of public sector capital), PDIs issued by Banks could be written down or converted to common equity. This risk does not exist in case of PDIs issued by NBFCs and Corporates.

Risk of call option not exercised by the issuer -

Banks and NBFCs - The issuing Banks and NBFCs have an option to call back the instrument after minimum period as per the regulatory requirement from the date of issuance and specified period thereafter, subject to meeting the RBI guidelines. However, if the issuer does not exercise the call on first call date, the Scheme may have to hold the instruments for a period beyond the first call exercise date and hence maybe exposed valuation impacts.

Corporates – Unlike Banks and NBFCs there is no minimum period for call date for Corporate issuers. However, if the corporate does not exercise the call option, the Scheme may have to hold the instruments for a period beyond the call exercise date and hence maybe exposed to valuation impacts.

<u>Risk Mitigation</u> The Scheme will not invest more than 10% of the NAV of the scheme in such instruments and will limit exposure to 5% of the NAV of the Scheme for such instruments issued by a single issuer.

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C. Risk associated with short selling and securities lending

<u>Short Selling Risk</u>: The risk associated with upward movement in market price of security sold short may result in loss. The losses on short position may be unlimited as there is no upper limit on rise in price of a security.

Securities Lending: The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure to comply can result in the possible loss of rights in the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The Mutual Fund may not be able to sell such lent securities and this can lead to temporary illiquidity.

This Addendum forms an integral part of the Scheme Information Document (SID) & Key Information Memorandum (KIM) of the surviving scheme.

Investors are requested to take note of the above.

Date: November 24, 2022

Place: Mumbai

For L&T Investment Management Limited CIN: U65991MH1996PLC229572

(Investment Manager to L&T Mutual Fund)

Sd/-**Authorised Signatory**

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