

Date: September 25, 2023

Dear Unitholder,

**Sub: Change in fundamental attributes of HDFC Retirement Savings Fund - Hybrid Debt Plan of HDFC Mutual Fund (“the Fund”)**

Unit holders are requested to note that the following Scheme / Plan will be undergoing changes in fundamental attributes as detailed in the table below. Accordingly, the proposed changes shall be carried out by implementing the process for change in the fundamental attributes of a scheme in line with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996.

1. **Name of the Scheme / Plan:** HDFC Retirement Savings Fund (“**the Scheme**”) – Hybrid Debt Plan (“**the Plan**”)

**Rationale for the change:** It is proposed to enhance the maximum equity exposure from 30% to 45% and adding minimum investment limits for derivatives. Increasing exposure in equities will give a boost to returns at the same time exposure to derivatives will aid in mitigating the volatility risk arising out of fluctuations in interest rates by increasing equity and hedging the same. This approach essentially limits the exposure to pure equity and equity related instruments in the original range while managing associated risks. The proposed change will be beneficial to the investors, however, it will not increase the risk profile of the Plan.

2. **Comparison between the existing and proposed features of the Plan is as follows:**

Existing Asset Allocation Pattern				Proposed Asset Allocation Pattern			
Type of Instruments	Allocation (% of Total Assets)		Risk Profile	Type of Instruments	Allocation (% of Total Assets)		Risk Profile
	Minimum	Maximum			Minimum	Maximum	
Debt Securities (Including Securitised Debt) and Money market instruments	70	95	Low to Medium	Debt Securities (Including Securitised Debt) and Money market instruments	55	90	Low to Medium
Equity and Equity related instruments	5	30	High	Equity and Equity related instruments	10	45	High
Units issued by REITs and InvITs	0	10	Medium to High	Of which net long through equity and equity related instruments*	5	30	High
Non-Convertible Preference Share	0	10	Low to Medium	Of which Derivatives Including index futures, stock futures, index options, stock options etc.	5	40	Medium to high
				Units issued by REITs and InvITs	0	10	Medium to High

**\* This net long equity exposure is aimed to gain from potential capital appreciation and thus is a directional equity exposure which will not be hedged.**

Note: All other features of the Scheme / Plan except those mentioned above will remain unchanged.

- The Board of Directors of HDFC Asset Management Company Limited and the Board of Directors of HDFC Trustee Company Limited, have approved the above proposed changes. Further, SEBI, vide email dated September 06, 2023, has communicated its no-objection for the proposed changes.
- In line with regulatory requirements, on account of the proposed change in fundamental attributes, we are offering an exit window (“Exit Option”) to the Unit holders of 30 days from September 29, 2023 to October 30, 2023 (both days inclusive) (“Exit Option Period”). These changes will be effective from October 31, 2023 (“Effective Date”). During the Exit Option Period, unit holders not consenting to the change may either switch to any other scheme of HDFC Mutual Fund or redeem their units (which have completed their lock-in period) at applicable Net Asset Value without payment of exit load subject to provisions of applicable cut-off time as stated in the Scheme Information Document (SID) of the Scheme / Plan. All redemption / switch out requests received on or after October 31, 2023 will be subject to applicable exit load (if any).
- The above information is also available on the website of HDFC Mutual Fund viz., [www.hdfcfund.com](http://www.hdfcfund.com)
- Unit holders who have pledged / encumbered their units will not have the option to exit unless they submit a letter of release of their pledges / encumbrances prior to submitting their redemption / switch requests. The Scheme / Plan being a Solution Oriented Scheme, the exit option shall be subject to completion of applicable lock in period as specified in the SID.

7. Investors who have registered for Systematic Investment Plan (SIP) in the Scheme / Plan and who do not wish to continue their future investments must apply for cancellation of their SIP registrations.
8. The redemption warrant / cheque will be mailed or the amount of redemption will be credited to the unit holders bank account (as registered in the records of the Registrar) within 3 (three) working days from the date of receipt of redemption request.
9. **It may be noted that the offer to exit is purely optional and not compulsory. If the Unit holder has no objection to the aforesaid change, no action is required to be taken and it would be deemed that such Unit holder has consented to the aforesaid change.**
10. The option to redeem the Units without exit load during the Exit Option Period can be exercised in the following manner:
  - (a) Unit holders can submit redemption / switch out requests online or via duly completed physical application form at any official points of acceptance / Investor Service Centres of the Fund or to the depository participant (DP) (in case of units held in Demat mode).
  - (b) The redemption / switch requests shall be processed at applicable NAV as per time stamping provisions contained in the SID of the Scheme / Plan.
  - (c) Unit holders should ensure that any changes in address or pay-out bank details required by them, are updated in HDFC Mutual Fund's records at least 10 (Ten) working days before exercising the Exit Option. Unit holders holding Units in dematerialized form may approach their DP for such changes.
11. The expenses related to the proposed changes will not be charged to the unit holders of the Scheme / Plan.

12. **Tax Consequences:**

Redemption / switch-out of units from the Scheme / Plan may entail capital gain / loss in the hands of the unitholder. For unit holders who redeem their investments during the Exit Option Period, the tax consequences as set forth in the Statement of Additional Information of HDFC Mutual Fund and SID would be applicable. In case of NRI investors, TDS shall be deducted from the redemption proceeds in accordance with the prevailing income tax laws. In view of the individual nature of tax consequences, Unitholders are advised to consult their professional tax advisors for tax advice.

**Unit holders who require any further information may contact:**

HDFC Mutual Fund, Address: HDFC House, 2nd Floor, H.T. Parekh Marg,  
165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020.  
Telephone no.: 1800 3010 6767 / 1800 419 7676 Email id: [hello@hdfcfund.com](mailto:hello@hdfcfund.com)

Yours faithfully

**For HDFC Asset Management Company Limited**

Investment Manager to HDFC Mutual Fund  
CIN no. L65991MH1999PLC123027

Sd/-

Authorised Signatory

Enclosures: as above

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**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**