Letter to Unitholders of HDFC Gold ETF

Dear Unitholder, Date: March 16, 2026

Subject: Change in fundamental attributes and certain other provisions of HDFC Gold ETF

Unit holders are requested to note that HDFC Gold ETF **("the Scheme**") will be undergoing changes in the key features with effect from **April 22, 2026 (Effective Date)**. The changes, indicated as Fundamental Attribute Change ("**FAC"**) in the below table will be considered as change in the fundamental attributes in line with Regulation 18(15A) and Regulation 25(26) of the SEBI (Mutual Funds) Regulations, 1996 ("MF Regulations") read with clause 1.14.1.4 and 17.10 of Master Circular for Mutual Funds dated June 27, 2024. Accordingly, the proposed changes shall be carried out by implementing the process for change in the fundamental attributes of a scheme.

1. **Name of the Scheme (Existing):** HDFC Gold ETF

2. **Rationale for the change/s:** The Management of Company proposes to change fundamental attributes and certain other provisions of the Scheme as the trading in the underlying physical gold market could be subject to disruptions, which may adversely affect the Scheme's ability to buy/sell physical gold. To mitigate this risk, the Scheme can use Exchange Traded Commodity Derivatives (ETCDs) with gold as underlying to modify exposure to gold and thus endeavour to track the price of the underlying commodity closely.

3. **Comparison between the existing and proposed features of the Scheme is as follows:**

<table>
<tr><th>Particulars</th><th>Existing Provision</th><th>Revised Provision (proposed)</th></tr>
<tr><td>Asset Allocation*</td><td>
<table>
<tr><th></th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Instruments</th><th>Minimum Allocation</th><th>Maximum Allocation</th></tr>
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Particulars	Existing Provision	Revised Provision (proposed)
	securities, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme. Short Term Deposits placed as margin will be covered in exposure to cash and cash equivalent. ^The Scheme may invest in Gold Monetisation scheme of banks notified by RBI and as per clause 3.2 of Master Circular which may be amended from time to time.	**per Clause 3.2 of the Master Circular dated June 27, 2024** **Investment in Gold Deposit Scheme (GDS), Gold Monetisation Scheme (GMS) and Exchange Traded Commodity Derivatives (ETCDs) having gold as the underlying by the Scheme will be subject to following:** **The cumulative exposure to gold related instruments i.e. GDS of banks, GMS and ETCD having gold as the underlying shall not exceed 50% of net asset value of the scheme. However, within the 50% limit, the investment limit for GDS of banks and GMS as part of gold related instrument shall not exceed 20% of net asset value of the scheme. The unutilized portion of the limit for GDS of banks and GMS can be utilized for ETCD having gold as the underlying.** The cumulative gross exposure through gold, gold related instruments, debt, derivative positions (including commodity derivatives as and when permitted under the Scheme), repo transactions in corporate debt securities, other permitted securities/assets and such other securities/assets as may be permitted by the Regulator from time to time should not exceed 100% of the net assets of the scheme. ***It may be noted that the margin placed for taking exposure to ETCDs are generally lower than the ETCD exposure limit considered for the purposes of monitoring investment limits and therefore, the residual cash (i.e. ETCD exposure less placement of margin towards participation in ETCDs) are placed in cash and cash equivalents in the interest of investors. The said placement in cash and cash equivalents**

Particulars	Existing Provision	Revised Provision (proposed)
		shall not be considered as part of the limit of 0% to 5% allocated towards Debt Securities & Money Market Instruments, units of Debt Schemes of Mutual Funds.
Risk Factors Associated with Investments in Exchange Traded Commodity Derivatives	-	**Commodity risks**: The Fund may invest in commodities markets and may therefore have investment exposure to the commodities markets and one or more sectors of the commodities markets, which may subject the Fund to greater volatility than investments in traditional securities, such as stocks and bonds. Volatility in the commodities markets may be caused by changes in overall market movements, domestic and foreign political and economic events and policies, war, acts of terrorism, changes in domestic or foreign interest rates and/or investor expectations concerning interest rates, domestic and foreign inflation rates, investment and trading activities of mutual funds, hedge funds and commodities funds, and factors such as drought, floods, weather, livestock disease, embargoes, tariffs and other regulatory developments, or supply and demand disruptions. Because the Fund's performance is linked to the performance of volatile commodities, investors should be willing to assume the risks of potentially significant fluctuations in the value of the Fund's shares. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of investment strategies depends upon the ability of the fund manager(s) to identify such opportunities which may always not be available. Identification and execution of the strategies to be pursued by the fund manager(s) involve uncertainty and decision of fund manager(s) may not always be profitable. No assurance can be given that the fund manager(s) will be able to identify or execute such strategies. Systemic risks which may be witnessed while rating in Indian Commodities Market are Liquidity risk, Price risk in terms of volatility, Exchange Risk and counterparty risks. **Liquidity Risk:** While ETCDs that are to be listed on an exchange carry lower liquidity

Particulars	Existing Provision	Revised Provision (proposed)
		risk, the ability to sell these contracts is limited by the overall trading volume on the exchanges. The liquidity of the Schemes' investments is inherently restricted by trading volumes of the ETCD contracts in which it invests. Additionally, change in margin requirements or intervention by government agencies to reduce overall volatility in the underlying commodity could lead to adverse impact on the liquidity of the ETCD. **Price Risk**: ETCDs are leveraged instruments hence, a small price movement in the underlying security could have a large impact on their value. Also, the market for ETCDs is nascent in India hence, arbitrages can occur between the price of the physical commodity and the ETCD, due to a variety of reasons such as technical issues and volatile movement in the price of the physical good. This can result in mispricing and improper valuation of investment decisions as it can be difficult to ascertain the amount of the arbitrage. **Settlement Risk**: ETCDs can be settled either through the exchange or physically. The inability to sell ETCDs held in the Schemes' portfolio in the exchanges due to the extraneous factors may impact liquidity and would result in losses, at times, in case of adverse price movement. Wherein the underlying commodity is physically delivered in order to settle the derivative contract, such settlement could get impacted due to various issues, such as logistics, Government policy for trading in such commodities. If the Commodities futures position passes its last square off date or the 'Intention' is missed to be provided before the Delivery Intention period, the buyer or the seller will be allocated delivery of the commodity. Thus, there emerges a risk of holding goods in physical form at the warehouses. Though the commodity is inclusive of insurance cost, there is a small deductible in each claim which is not payable by the Insurance company.

*** Considered as Fundamental Attribute Change**

All other provisions will stand updated in Scheme Information Document (SID) / Key Information Memorandum (KIM) as consequential changes on account of the above proposed changes. Further, relevant changes will stand updated in Statement of Additional Information (SAI).

All other features of the Scheme except those mentioned above will remain unchanged.

4. 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 **January 28, 2026** noted the proposed changes.

5. In line with regulatory requirements, on account of the change in fundamental attributes is being proposed, we are offering an exit window ("**Exit Option**") of 30 days to existing Unit holders (as on March 13, 2026) from **March 23, 2026** to **April 21, 2026** (both days inclusive) ("**Exit Option Period**"). These changes will be effective from **April 22, 2026**. During the Exit Option Period, unit holders not consenting to the change may:

i. redeem their units by selling them on stock exchanges viz. NSE / BSE, where the units are listed or;

ii. redeem their units amounting to Rs.25 crores and above and in creation Unit size directly with the AMC/Fund at Intra-day NAV. However, this limit shall not apply to Market Makers.

6. The above information is also available on the website of HDFC Mutual Fund viz., www.hdfcfund.com

7. 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 requests.

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:

i. Sell the units on the stock exchanges where the units are listed viz. NSE / BSE.
ii. The redemption requests directly to the AMC / Fund amounting to Rs. 25 crore or more or those by market makers must be submitted only at AMC's branches and not at any other official point of acceptance.
iii. 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 and other consequential changes as outlined above will not be charged to the unit holders of the Scheme of HDFC Mutual Fund.

12. Tax Consequences:

Redemption of units from the Scheme 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 SID of the Scheme and SAI of the Fund. 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

Yours faithfully,

For HDFC Asset Management Company Limited
Investment Manager to HDFC Mutual Fund
CIN no. L65991MH1999PLC123027

Sd/-
Authorised Signatory

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