KEY INFORMATION MEMORANDUM

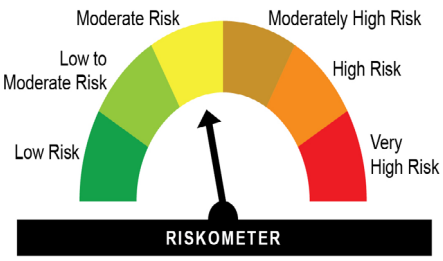
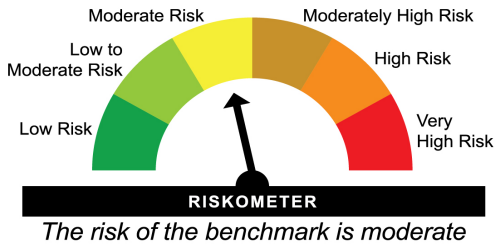
HDFC Charity Fund for Cancer Cure (Feb 2030)

A Close Ended Income Scheme with Tenure 1175 Days. A Relatively High Interest Rate Risk and Relatively Low Credit Risk.

BSE Scrip Code/NSE Symbol: << shall be updated after listing of the scheme >>

The Scheme enables its Unit holders to donate part of distribution income to the Indian Cancer Society for treatment of underprivileged cancer patients.

Such donations made by the Unit holders shall be eligible for claiming of deduction under Section 133 of Income Tax Act, 2025 (under the Old Regime)

This product is suitable for investors who are seeking*:	**Scheme Riskometer#**	**Benchmark Riskometer# (as on September 30, 2026)**
• To generate regular income over the tenure of the Scheme 1175 days term. • Investments in Debt/Money Market Instruments and Government Securities.	 *The risk of the scheme is moderate*	**NIFTY Medium Duration Debt Index A-III**  *The risk of the benchmark is moderate*

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

#The product labeling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

For latest riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. www.hdfcfund.com

Potential Risk Class (Maximum risk the Scheme can take):

Credit Risk → / Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)	**A-III**		

A-III - A Scheme with Relatively High Interest Rate Risk and Relatively Low Credit Risk.

Offer of Units of Rs. 10 each for cash during the New Fund Offer (NFO)

New Fund Offer (NFO) Opens on:	**November 11, 2026**
New Fund Offer (NFO) Closes on:	**November 23, 2026**
Scheme re-opens on:	Being a close ended scheme, the Scheme will not reopen for subscriptions. The Scheme is proposed to be listed on National Stock Exchange of India Limited (NSE) and / or BSE Limited (BSE).

Name of Mutual Fund (Fund): **HDFC Mutual Fund** Name of Asset Management Company (AMC): **HDFC Asset Management Company Limited** Name of Trustee Company: **HDFC Trustee Company Limited** Address of the entities:	
Asset Management Company (AMC): HDFC Asset Management Company Limited Registered Office: HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020. CIN No: L65991MH1999PLC123027	**Trustee Company:** HDFC Trustee Company Limited Registered Office: HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020. CIN No. U65991MH1999PLC123026
Website of the entities: www.hdfcfund.com	

This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. **For further details of the scheme/Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors' rights & services, risk factors, penalties & pending litigations etc. investors should, before investment, refer to the Scheme Information Document ("SID") and Statement of Additional Information ("SAI") available free of cost at any of the Investor Service Centres or distributors or from the website** www.hdfcfund.com.

The Scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 2026 ("SEBI (MF) Regulations"), as amended till date, and filed with Securities and Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM.

This Key Information Memorandum is dated **October 22, 2026**.

DISCLAIMER OF NSE:
As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/6096 dated June 16, 2026, permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's Units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's Units will be

listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its Sponsor, its management or any scheme of the Mutual Fund.
Every person who desires to apply for or otherwise acquire any Units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER OF BSE:
"BSE Ltd. ("the Exchange") has given vide its letter dated June 17, 2026 permission to HDFC Mutual Fund to use the Exchange's name in this SID as one of the Stock Exchanges on which this Mutual Fund's Units are proposed to be listed. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to HDFC Mutual Fund. The Exchange does not in any manner: -
i) warrant, certify or endorse the correctness or completeness of any of the contents of this SID; or
ii) warrant that this scheme's units will be listed or will continue to be listed on the Exchange; or
iii) take any responsibility for the financial or other soundness of this Mutual Fund, its promoters, its management or any scheme or project of this Mutual Fund and it should not for any reason be deemed or construed that this SID has been cleared or approved by the Exchange.
Every person who desires to apply for or otherwise acquires any unit of HDFC Charity Fund for Cancer Cure (Feb 2030) of this Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

1. Name of Scheme
HDFC Charity Fund for Cancer Cure (Feb 2030)

2. SEBI Scheme Code
HDFC/C/D/FTP/26/10/0155

3. Category of Scheme
Not applicable as it is a Close Ended Scheme.

4. Type of Scheme
A Close Ended Income Scheme with Tenure of 1175 Days. A Relatively High Interest Rate Risk and Relatively Low Credit Risk.

5. Investment Objective
To generate income through investments in Debt / Money Market Instruments and Government Securities maturing on or before the maturity date of the Scheme.

There is no assurance that the investment objective of the Scheme will be achieved.

6. Asset Allocation Pattern of the Scheme

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Debt Instruments, Money Market Instruments and Government Securities	0	100
Units of debt mutual fund Schemes	0	5

As per clause 13.18.1 of Master Circular, the cumulative gross exposure through debt, money market instruments, derivative positions (fixed income derivatives), repo transactions in corporate debt securities, credit default swaps and such other permitted securities/assets by SEBI from time to time shall not exceed 100% of the net assets of the Scheme.

Security wise hedge positions using derivatives such as Interest Rate Swaps, credit default swap bought for the purpose of hedging credit risk on debt securities, imperfect hedging using IRFs upto maximum of 20% of net assets and any other positions specifically exempted under SEBI guidelines from time to time, will not be considered in calculating above exposure.

As per SEBI letter to AMFI dated November 3, 2021, Cash or cash equivalents i.e. Government Securities, T-Bills and Repo on Government Securities having residual maturity of less than 91 days may be treated as not creating any exposure.

Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)

Sr. No	Type of Instrument	Percentage of exposure	Circular references
1.	Derivatives (Hedging and Non-hedging / imperfect hedging)	Upto 50% of the net assets	Clause 13.15 of Master Circular
2.	Securitized Debt	Upto 40% of the net assets	Clause 13.1 of Master Circular
3.	Structured obligations and credit enhancements	Upto 10% of the portfolio of the scheme Group exposure limit - Upto 5% of the portfolio of the scheme	Clause 13.1 of Master Circular
4.	Overseas Debt Securities	Upto 35% of its net assets	Clause 13.11 of Master Circular
5.	Repo/ Reverse Repo in permitted corporate debt securities	Upto 10% of the net assets or or as prescribed by SEBI from time to time	Clause 13.8 of Master Circular
6.	Mutual Fund Units	Upto 5% of the net assets of the Mutual Fund (i.e. across all the schemes of the Fund)	Clause 3 of Sixth Schedule of MF Regulations read with Clause 13.14 of Master Circular
7.	Short Term deposits	As per regulatory limits	Clause 8 of Sixth Schedule of SEBI (MF) Regulations and Clause 13.7 of Master Circular

8.	Securities Lending	a) Upto 20% of the net assets b) Higher of Rs. 5 crores or 5% of the net assets at single intermediary i.e. broker level	Clause 13.6 of Master Circular
9.	Credit Default Swaps	Upto 10% of AUM of Scheme and shall be within the overall limit of derivatives	Clause 13.17 of Master Circular

In compliance with clause no. 13.11.3 of Master Circular, the Scheme may invest a maximum of US $10 million in Foreign Securities within a period of 6 months from the NFO closure date. Further investments shall follow the norms for ongoing schemes as specified from time to time, which currently are, 20% of the average AUM in Overseas securities / Overseas ETFs of the previous three calendar months would be available to the Mutual Fund for that month to invest in Overseas securities / Overseas ETFs. Provided that the limit for investment in overseas securities including ETFs shall be as permitted by SEBI from time to time.

The Scheme will not make any investment in-

Sr. No.	Types of Instruments
1	Short Selling
2	Instruments with special features AT1 and AT2 Bonds
3	Units of Infrastructure Investment Trusts (InvITs)

Timelines for deployment of Funds collected during New Fund Offer (NFO) period:

In accordance with clause 7.24 of Master Circular read with SEBI Letter to AMFI dated August 13, 2026, the portfolio construction based on the scheme's asset allocation shall begin on the date of allotment of units and the AMC shall deploy the funds garnered during the NFO within 30 Business Days from the date of allotment of units.

In an exceptional case, if the AMC is not able to deploy the funds as per the aforesaid timeline, justification in writing, including details of efforts taken to deploy the funds shall be placed before the Investment Committee of the AMC.

The Investment Committee, after examining the root cause for delay in deployment, may extend the timeline by 30 Business Days. The Investment Committee shall also recommend on how to ensure deployment within 30 Business Days going forward and monitor the same. However, an extension shall not be granted if the Scheme's assets are liquid and readily available.

In case the funds are not deployed as per the aforesaid mandated plus extended timelines, the AMC shall follow the requirements specified under the aforesaid circular including reporting the deviation to Trustees at each stage.

The Trustees shall monitor the deployment of funds collected in NFO and take steps, as may be required, to ensure that the funds are deployed within a reasonable timeframe.

Changes in asset allocation pattern/Portfolio Rebalancing:

Short Term Defensive Consideration:

Subject to SEBI (MF) Regulations the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. As per clause 1.9.1.b of Master Circular, as may be amended from time to time, such changes in the investment pattern will be for short term and for defensive consideration only.

In the event of change in the asset allocation, the fund manager will carry out portfolio rebalancing within 30 calendar days or such other timeline as may be prescribed by SEBI from time to time.

Portfolio rebalancing (in case of passive breaches):

As per clause 3.11 of Master Circular, as may be amended/ clarified from time to time, in the event of change in the asset allocation due to passive breaches (occurrence of instances not arising out of omission and commission of the AMC), the fund manager is required to carry out portfolio rebalancing within 30 Business Days.

In case the portfolio 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. The Investment Committee, if it so desires, can extend the timeline for rebalancing up to sixty (60) Business days from the date of completion of mandated rebalancing period. In case the portfolio of the scheme is not rebalanced within the aforementioned mandated plus extended timelines, the AMC shall follow the requirements specified under the aforesaid circular including reporting the deviation to Trustees at each stage.

7. Investment Strategy

The primary objective of the Scheme is to generate income through investments in Debt / Money Market Instruments and Government Securities maturing on or before the maturity date of the Scheme.

The Scheme has the flexibility to invest in the entire range of debt instruments The Scheme may also seek investment opportunity in the Foreign Debt Securities, in accordance with guidelines stipulated in this regard by SEBI and RBI from time to time. Investments in debt and money market instruments would be undertaken after assessing the associated credit risk, interest rate risk and liquidity risk within the limits in the Asset Allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations.

As part of the Fund Management process, the Scheme may use derivative instruments as permitted by extant regulations. For detailed derivative strategies, please refer to SAI. For exposure limits to derivatives, refer section 'Where will the scheme invest' under Section II, Part II, Clause A in the SID.

Though every endeavour will be made to achieve the objective of the Scheme, the AMC/Sponsor/Trustee do not guarantee that the investment objective of the Scheme will be achieved. No guaranteed returns are being offered under the Scheme.

8. Risk Profile of the Scheme

Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized below:

(i) Scheme Specific Risk Factors:

Being a close-ended scheme, no redemptions are allowed prior to scheduled maturity of the Scheme. Investors who wish to exit/redeem before the scheduled maturity date may do so through the stock exchange mode. For the Units listed on the exchange, it is possible that the market price at which the Units are traded may be at a discount to the NAV of such Units. Hence, Unit holders who sell their Units in the Scheme prior to maturity may not get the desired returns. Moreover, given the nature of the Scheme, the AMC may be required to liquidate the equity portfolio and the proceeds may be kept in cash and invested largely in cash equivalents/money market instruments towards the Maturity/Final Redemption date and to that extent these investments made may not be in line with the asset allocation pattern.
A close ended scheme comes to an end at the scheduled maturity. On the scheduled maturity date, investors carry the risk that the value of underlying portfolio securities on the maturity date of the Scheme could get impacted by unfavorable market conditions and/or company specific events, which could lead to lower than desired returns.

Treatment and disposal of illiquid securities or securities classified as default at the time of maturity / closure of schemes shall be in terms of clause 15.8 of Master Circular which states as under: “In case of close-ended schemes, some of the investments made by Mutual Funds may become default at the time of maturity of schemes. Further, at the time of winding up of a scheme, some of the investments made by Mutual Funds may become default or illiquid. In due course of time i.e. after the maturity or winding up of the schemes, such investments may be realised by the Mutual Funds. It is advised to distribute such amount, if it is substantial, to the concerned investors. In case the amount is not substantial, it may be used for the purpose of investor education. The decision as to the determination of substantial amount shall be taken by the Trustees of Mutual Funds after considering the relevant factors including number of investors, amount recovered, cost of transferring funds to investors; among others.”

(ii) Risk factors associated with investing in Fixed Income Securities:

- The Net Asset Value (NAV) of the Scheme, to the extent invested in Debt and Money Market instruments, will be affected by changes in the general level of interest rates. The NAV of the Scheme is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.
- Money market instruments, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the security is finally sold.
- Investments in money market instruments involve credit risk commensurate with short term rating of the issuers.
- Investment in Debt instruments are subject to varying degree of credit risk or default (i.e. the risk of an issuer's inability to meet interest or principal payments on its obligations) or any other issues, which may have their credit ratings downgraded. Changes in financial conditions of an issuer, changes in economic and political conditions in general, or changes in economic or and political conditions specific to an issuer, all of which are factors that may have an adverse impact on an issuer's credit quality and security values. This may increase the risk of the portfolio. The Investment Manager will endeavour to manage credit risk through in-house credit analysis.
- **Prepayment Risk:** Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the Scheme to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the Scheme.
- **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
- **Settlement risk:** Different segments of Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems

in settlement of transactions could result in temporary periods when the assets of the Scheme are uninvested and no return is earned thereon. The inability of the Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme's portfolio, due to the absence of a well developed and liquid secondary market for debt securities, may result at times in potential losses to the Scheme in the event of a subsequent decline in the value of securities held in the Scheme's portfolio.

- Government securities where a fixed return is offered run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. The new level of interest rate is determined by the rates at which government raises new money and/or the price levels at which the market is already dealing in existing securities. The price-risk is not unique to Government Securities. It exists for all fixed income securities. However, Government Securities are unique in the sense that their credit risk generally remains zero. Therefore, their prices are influenced only by movement in interest rates in the financial system.
- Different types of fixed income securities in which the Scheme would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the Scheme risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities. Further even among corporate bonds, AAA rated bonds are comparatively less risky than AA rated bonds.
- The AMC may, considering the overall level of risk of the portfolio, invest in lower rated / unrated securities offering higher yields as well as zero coupon securities that offer attractive yields. This may increase the absolute level of risk of the portfolio.
- As zero coupon securities do not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates and are subject to issuer default risk. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio. Zero coupon or deep discount bonds are debt obligations that do not entitle the holder to any periodic payment of interest prior to maturity or a specified date when the securities begin paying current interest and therefore, are generally issued and traded at a discount to their face values. The discount depends on the time remaining until maturity or the date when securities begin paying current interest. It also varies depending on the prevailing interest rates, liquidity of the security and the perceived credit risk of the Issuer. The market prices of zero coupon securities are generally more volatile than the market prices of securities that pay interest periodically.

(iii) Risks associated with investment in unlisted securities:

- Except for any security of an associate or group company, the scheme can invest in securities which are not listed on a stock exchange (“unlisted Securities”) which in general are subject to greater price fluctuations, less liquidity and greater risk than those which are traded in the open market. Unlisted debt securities may lack a liquid secondary market and there can be no assurance that the Scheme will realise their investments in unlisted securities at a fair value.
- Investment in unrated instruments may involve a risk of default or decline in market value higher than rated instruments due to adverse economic and issuer-specific developments. Such investments display increased price sensitivity to changing interest rates and to a deteriorating economic environment. The market values for unrated investments tends to be more volatile and such securities tend to be less liquid than rated debt securities.

(iv) Risks associated with Investing in Structured Obligation (SO) & Credit Enhancement (CE) rated securities

- The risks factors stated below for the Structured Obligations & Credit Enhancement are in addition to the risk factors associated with debt instruments.

- Credit rating agencies assign CE rating to an instrument based on any identifiable credit enhancement for the debt instrument issued by an issuer. The credit enhancement could be in various forms and could include guarantee, shortfall undertaking, letter of comfort, etc. from another entity. This entity could be either related or non-related to the issuer like a bank, financial institution, etc. Credit enhancement could include additional security in form of pledge of shares listed on stock exchanges, etc. SO transactions are asset backed/ mortgage backed securities, securitized paper backed by hypothecation of car loan receivables, securities backed by trade receivables, credit card receivables etc. Hence, for CE rated instruments evaluation of the credit enhancement provider, as well as the issuer is undertaken to determine the issuer rating. In case of SO rated issuer, the underlying loan pools or securitization, etc. is assessed to arrive at rating for the issuer.
- **Liquidity Risk:** SO rated securities are often complex structures, with a variety of credit enhancements. Debt securities 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 adversely affected compared to similar rated debt instruments. Hence, lower liquidity of such instruments, could lead to inability of the scheme to sell such debt instruments and generate liquidity for the scheme or higher impact cost when such instruments are sold.
- **Credit Risk:** 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. In case of SO transactions, comingling risk and risk of servicer increases the overall risk for the securitized debt or assets backed transactions. Therefore, apart from issuer level credit risk such debt instruments are also susceptible to structure related credit risk.

(v) Risk factors associated with investing in Overseas Securities

- **Currency Risk:**
  Moving from Indian Rupee (INR) to any other currency entails currency risk. To the extent that the assets of the Scheme will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the value of certain foreign currencies relative to the Indian Rupee.

- **Interest Rate Risk:**
  The pace and movement of interest rate cycles of various countries, though loosely co-related, can differ significantly. Hence by investing in securities of countries other than India, the Scheme stand exposed to their interest rate cycles.

- **Taxation Risk:**
  In addition to the disclosure related to taxation mentioned in Statement of Additional Information (SAI) under section "**Tax, Legal, General Information**", Investment in Foreign Securities poses additional challenges based on the tax laws of each respective country or jurisdiction. The scheme may be subject to a higher level of taxes than originally anticipated and or dual taxation.
  The Scheme may be subject to withholding or other taxes on income and/or gains arising from its investment portfolio. Further, such investments are exposed to risks associated with the changing / evolving tax / regulatory regimes of all the countries where the Scheme invests. All these may entail a higher outgo to the Scheme by way of taxes, transaction costs, fees etc. thus adversely impacting its NAV; resulting in lower returns to an Investor.

- **Legal and Regulatory Risk:**
  Legal and regulatory changes could occur during the term of the Scheme which may adversely affect it. If any of the laws and regulations currently in effect should change or any new laws or regulations should be enacted, the legal requirements to which the Scheme and the investors may be subject

could differ materially from current requirements and may materially and adversely affect the Scheme and the investors. Legislation/ Regulatory guidelines could also be imposed retrospectively.

- **Country Risk:**
  The Country risk arises from the inability of a country, to meet its financial obligations. It is the risk encompassing economic, social and political conditions in a foreign country, which might adversely affect foreign investors' financial interests. In addition, country risks would include events such as introduction of extraordinary exchange controls, economic deterioration, bi-lateral conflict leading to immobilisation of the overseas financial assets and the prevalent tax laws of the respective jurisdiction for execution of trades or otherwise.

  To manage risks associated with foreign currency and interest rate exposure, the Mutual Fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI/ RBI from time to time.

- **Exhaustion of Limit for investments in Overseas Securities:**
  In case the permissible limits for investments in overseas Securities by the Scheme provided by regulatory bodies is reached, then the scheme may not be able to make any further investments in permissible Overseas Securities. This could lead to loss of investment opportunity.

(vi) Risk factors associated with investing in Derivatives

- The AMC, on behalf of the Scheme may use various derivative products, from time to time, in an attempt to protect the value of the portfolio and enhance Unit holders' interest. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Other risks include, the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.
- The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.
- **Credit Risk:**
- The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a derivative transaction.
- **Market Risk:**
- Market movements may adversely affect the pricing and settlement of derivatives.
- **Illiquidity risk:**
- This is the risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.

- **Additional Risk viz. Basis Risk associated with imperfect hedging using Interest Rate Futures (IRF):** The imperfect correlation between the prices of securities in the portfolio and

the IRF contract used to hedge part of the portfolio leads to basis risk. Thus, the loss on the portfolio may not exactly match the gain from the hedge position entered using the IRF.

(vii) Risk factors associated with Securities Lending

As with other modes of extensions of credit, there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to 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 scheme may not be able to sell lent out securities, which can lead to temporary illiquidity & loss of opportunity.

(viii) Risk factors associated with investing in Securitised Debt

The Risks involved in Securitised Papers described below are the principal ones and does not represent that the statement of risks set out hereunder is exhaustive.

- **Limited Liquidity & Price Risk**
  There is no assurance that a deep secondary market will develop for the Certificates. This could limit the ability of the investor to resell them.
- **Limited Recourse, Delinquency and Credit Risk**
  The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and do not represent an obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts to the Certificate Holders may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of an Obligor to repay his obligation, the Servicer may repossess and sell the Asset. However, many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realise the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.
- **Risks due to possible prepayments and Charge Offs**
  In the event of prepayments, investors may be exposed to changes in tenor and yield. Also, any Charge Offs would result in the reduction in the tenor of the Pass Through Certificates (PTCs).
- **Bankruptcy of Bank with Liquidity facility**
  If the Bank with Liquidity facility, becomes subject to bankruptcy proceedings then an investor could experience losses or delays in the payments.
- **Risk of Co-mingling**
  With respect to the Certificates, the Servicer will deposit all payments received from the Obligors into the Collection Account. However, there could be a time gap between collection by a Servicer and depositing the same into the Collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the Loan Agreements may not be segregated from other funds of originator. If originator in its capacity as Servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss.

(ix) Risk factors associated with Repo in permitted Corporate Debt Securities

In repo transactions, also known as a repo or sale repurchase agreement, securities are sold with the seller agreeing to buy them back at later date. The repurchase price should be greater than the original sale price, the difference effectively representing interest. A repo in corporate

debt securities is economically similar to a secured loan, with the buyer receiving corporate debt securities as collateral to protect against default. Some of the risks associated with repo in corporate debt are given below:

Counterparty Risk: Counterparty risk refers to the inability of the seller to meet the obligation to buy back securities at the contracted price on the contracted date. In case of over the counter (OTC) repo trades, the investment manager will endeavour to manage counterparty risk by dealing only with counterparties having strong credit profiles. Also, the counter-party risk is to an extent mitigated by taking collateral equivalent in value to the transaction after knocking off a minimum haircut on the intrinsic value of the collateral. In the event of default by the repo counterparty, the scheme shall have recourse to the corporate debt securities. In case the repo transaction is executed on exchange platform approved by RBI/SEBI, the exchange may also provide settlement guarantee.

Collateral Risk: Collateral risk arises when the market value of the securities is inadequate to meet the repo obligations. This risk can be partly mitigated by restricting participation in repo transactions only in corporate debt securities which are approved by credit risk team. Additionally, to address the risk related to reduction in market value of corporate debt security held as collateral due to credit rating downgrade, the repo contract can incorporate either an early termination of the repo agreement or call for fresh margin to meet the minimum haircut requirement or call for replacement of security with eligible security. Moreover, the investment manager may apply a higher haircut on the underlying security than required as per RBI/SEBI regulation to adjust for the illiquidity and interest rate risk on the underlying instrument. To mitigate the risk of price reduction due to interest rate changes, the adequacy of the collateral can be monitored on a daily basis by considering the daily market value & applying the prescribed haircut. The fund manager or the exchange can then arrange for additional collateral from the counterparty, within a prespecified period. If the counterparty is not able to top-up either in form of cash / collateral, it would tantamount to early termination of the repo agreement, and the outstanding amount can be recovered by sale of collateral.

(x) Risk factors associated for investments in Mutual Fund Schemes:

1. Movements in the Net Asset Value (NAV) of these Schemes may impact the performance. Any change in the investment policies or fundamental attributes of these Schemes will affect the performance of the Scheme to the extent of investment in such schemes.
2. Redemptions by in these Schemes would be subject to applicable exit loads.

(xi) General Risk factors:

- Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. The NAV of the Units of the Scheme can go up or down because of various factors that affect the capital markets in general.
- As the liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or restructuring of the Scheme. In view of the above, the Trustee has the right, in its sole discretion, to limit redemptions (including suspending redemptions) under certain circumstances, as described under section Right to Restrict Redemption and / or Suspend Redemption of the units.
- At times, due to the forces and factors affecting the capital market, the Scheme may not be able to invest in securities falling within its investment objective resulting in holding the monies collected by it in cash or cash equivalent or invest the same in other permissible securities /

investments amounting to substantial reduction in the earning capability of the Scheme. The Scheme may retain certain investments in cash or cash equivalents for its day-to-day liquidity requirements.

- Investment strategy to be adopted by the Scheme may carry the risk of significant variance between the portfolio allocation of the Scheme and the Benchmark particularly over a short to medium term period.
- Performance of the Scheme may be affected by political, social, and economic developments, which may include changes in government policies, diplomatic conditions, and taxation policies.
- The Scheme at times may receive large number of redemption requests, leading to an asset-liability mismatch and therefore, requiring the investment manager to make a distress sale of the securities leading to realignment of the portfolio and consequently resulting in investment in lower yield instruments.

For details on risk mitigation measures, please refer SID.

9. Plans/ Options

Plans: Regular & Direct

Both Plans offer only Payout of Income Distribution cum Capital Withdrawal (IDCW) Option

Under this Option, it is proposed to declare income / capital Distribution (IDCW) subject to availability of distributable surplus, as computed in accordance with SEBI (MF) Regulations. Investors should note that distributions can be made out of Equalization Reserves (representing accumulated realized gains), which is part of sale price paid by them.

The Scheme may declare distribution (i.e. Payout of IDCW) at half yearly frequency, subject to availability of distributable surplus. However, there is no guarantee or assurance on the half yearly frequency of distribution or the quantum of distribution.

- This Option offers following sub-options:
- 50% IDCW Donation Option (Default)
- 75% IDCW Donation Option

Donation will be made to Indian Cancer Society (ICS) or any other eligible institution(s) for treatment of cancer as may be decided by the Board of Directors of AMC and Trustee. The amount of Donation will be calculated as a % of Gross IDCW i.e. before deduction of TDS/ Statutory levies.

For detailed disclosure on default plans and options, kindly refer SAI.

10. Applicable NAV

The below cut-off timings and applicability of NAV shall be applicable in respect of valid applications received at the Official Point(s) of Acceptance on a Business Day:

For Purchases including switch-ins

The Units of the Scheme will not be available for subscriptions / switch- in after the closure of NFO Period.

For Redemptions including switch-outs

Units of the Scheme cannot be redeemed including switch-outs by the investors directly with the Fund until the date of Maturity/ Final Redemption. Therefore, the provisions of Cut off timing for redemptions including switch-outs will not be applicable to the Scheme.

Units of the Scheme will be compulsorily redeemed on the Maturity / Final Redemption date, except requests for switch-out received by the Fund.

Settlement of Purchase/Sale of Units of the Scheme on NSE / BSE

Buying/Selling of Units of the Scheme on NSE / BSE is just like buying/selling any other normal listed security. If an investor has bought Units, an investor has to pay the purchase amount to the broker/sub- broker such that the amount paid is realized before the funds pay-in day of the settlement cycle on the NSE / BSE. If an investor has sold Units, an investor has to deliver the Units to the broker/sub-broker before the securities pay-in day of the settlement cycle on the NSE / BSE. The Units (in the case of Units bought) and the funds (in the case of Units sold) are paid out to the broker on the pay-out day of the settlement cycle on the NSE / BSE. The NSE / BSE regulations stipulate that the trading member should pay the money or Units to the investor within 24 hours of the pay-out.

If an investor has bought Units, he should give standing instructions for 'Delivery- In' to his/her Depository Participant (DP) for accepting Units in his/her beneficiary account. An investor should give the details of his/her beneficiary account and the DP- ID of his/her DP to his/her trading member. The trading member will transfer the Units directly to his/her beneficiary account on receipt of the same from NSE's Clearing Corporation / BSE's Clearing Corporation.

An investor who has sold Units should instruct his/her DP to give 'Delivery Out' instructions to transfer the Units from his/her beneficiary account to the Pool Account of his/her trading member through whom he/she have sold the Units. The details of the Pool A/C (CM-BP-ID) of his/her trading member to which the Units are to be transferred, Unit quantity etc. should be mentioned in the Delivery Out instructions given by him/her to the DP.

The instructions should be given well before the prescribed securities pay-in day. SEBI has advised that the Delivery Out instructions should be given at least 24 hours prior to the cut-off time for the prescribed securities pay-in to avoid any rejection of instructions due to data entry errors, network problems, etc.

Rolling Settlement

The pay-in and pay-out timelines for funds and securities are prescribed as per the Settlement Cycle. The Pay-in and Pay-out of funds and the Units will take place within 1 working day after the trading date. A typical Settlement Cycle of Rolling Settlement is given below:

Day Activity

T	The day on which the transaction is executed by a trading member
T + 1	Confirmation of all trades including custodial trades by 7.30 a.m.
T + 1	Processing and downloading of obligation files to brokers/custodians by 1.00 p.m.
T + 1	Pay-in of funds and securities by 10:50 am for Funds & 10:30 am for Securities
T + 1	Pay out of funds and securities by 3 pm / as and when received from exchange

While calculating the days from the Trading day (Day T), weekend days (i.e. Saturday and Sundays) and bank holidays are not taken into consideration.

The AMC has the right to amend cut off timings subject to SEBI (MF) Regulations for the smooth and efficient functioning of the Scheme.

Transactions through online facilities / electronic modes:

The time of transaction done through various online facilities / electronic modes offered by the AMC, for the purpose of determining the applicability of NAV, would be the time when the request for purchase / sale / switch of units is received in the servers of AMC/RTA.

The AMC has the right to amend cut off timings subject to SEBI (MF) Regulations for the smooth and efficient functioning of the Scheme.

11. Minimum Application Amount / Number of Units

Purchase (including switch-	Additional Purchase	Redemption (including

in)	(including switch-in)	switch-out)
During NFO Period and continuous offer period (after scheme re-opens for repurchase and sale)		
During NFO Period: For Purchases / Switch-in: Rs.50,000/- and in multiple of Rs.1,000 thereafter If the amount of purchase/switch application is in odd multiples, the application will be processed for the eligible amount and the balance amount will be refunded.	Not Applicable	Not Applicable The Units under the Scheme cannot be directly redeemed with the Fund as the Units will be listed on the stock exchange(s) viz. BSE and/or NSE.

12. Despatch of Redemption Request

Within 3 working days of the Maturity Date or within such timelines as may be prescribed by SEBI / AMFI from time to time in case of exceptional circumstances or otherwise.

13. Benchmark Index

NIFTY Medium Duration Debt Index A-III

14. Dividend / IDCW Policy

The Trustee may decide to declare distributions under the IDCW Option of the Scheme subject to availability of distributable surplus. For IDCW Options having a defined frequency, the Trustee at its sole discretion may also declare interim distributions between two successive record dates. The declaration / actual payment of IDCW and the frequency thereof will depend on the availability of distributable surplus computed in accordance with SEBI (MF) Regulations. The decision of the Trustee in this regard shall be final.

IDCW, if declared, will be paid (subject to deduction of tax at source, if any) to those Unit holders whose names appear in the Register of Unit holders on the record date. In case of units held in dematerialized mode, the Depositories (NSDL/CDSL) will provide the list of eligible demat account holders and the number of units held by them in electronic form on the Record date to the Registrars and Transfer Agent of the Mutual Fund.

There is no assurance or guarantee to Unit holders as to the rate/quantum of IDCW distribution nor that IDCW will be paid regularly. On payment of IDCW, the NAV will stand reduced by the amount of IDCW and Dividend distribution tax /statutory levy (if applicable) paid. The Trustee/ AMC reserves the right to change the record date from time to time.

15. Name of the Fund Manager

Mr. Anil Bamboli and Mr. Gopal Agrawal

16. Name of the Trustee Company

HDFC Trustee Company Limited

17. Performance of the Scheme

This Scheme is a new Scheme and does not have any performance track record.

18. Duration of the Scheme

The Scheme shall have a tenure of 1175 days from the date of allotment of units.

19. Maturity Date

February 11, 2030.

If the Maturity Date falls on a Non-Business Day, then the immediately succeeding Business Day shall be considered as the Maturity Date.

20. Additional Scheme related Disclosures

This is a new Scheme and therefore, the requirement of following additional disclosures is currently not applicable for the Scheme:

i. The tenure for which the fund manager has been managing the Scheme.

ii. Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors).

iii. Portfolio Disclosure – Monthly/Fortnightly

iv. Addendums

v. Portfolio Turnover Rate for equity-oriented schemes.

vi. Aggregate investment in the Scheme by Fund Manager(s), key personnel and AMC directors.

However, the following disclosure as and when due will be made available at the below given link:

Scheme's portfolio holdings - https://www.hdfcfund.com/statutory-disclosure/portfolio/monthly-portfolio

Portfolio Disclosure –

- Monthly - https://www.hdfcfund.com/statutory-disclosure/portfolio/monthly-portfolio
- Fortnightly -https://www.hdfcfund.com/statutory-disclosure/portfolio/fortnightly-portfolio

Addendums - https://www.hdfcfund.com/statutory-disclosure/form-disclosures/addenda-notices

Details of IDCW declaration for last five years or the last five distributions -
https://www.hdfcfund.com/nav-and-idcw

21. Prudential limits in sector exposure and group exposure in debt-oriented mutual fund schemes

The Scheme shall not invest more than 20% of its net assets in debt securities issued by issuers belonging to one sector. AMC shall utilize the "Sector" classification prescribed by AMFI for this purpose. However, this limit will not apply to investments in Certificates of Deposit issued by Banks, Tri- Party Repos (TREPS), Government Securities, Treasury Bills, Short Term Deposits of scheduled Commercial Banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks.

The Scheme may have an additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of its net assets by way of increase in exposure to Housing Finance Companies (HFCs) registered with National Housing Bank. Such additional exposure shall be to securities issued by HFCs which are rated AA and above. Further, an additional 5% of the net assets of the Scheme may be invested in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio. The total investment/exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the Scheme.

The Schemes shall not invest more than 20% of its net assets in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks). Such investment limit may be extended to 25% of the net assets of the Scheme with the prior approval of the Trustees.

Provided that investments by the Scheme in debt and money market instruments of group companies of both the sponsor and the asset management company shall not exceed 10% of the net assets of the Scheme. Such investment limit may be extended to 15% of the net assets of the Scheme with prior approval of the Board of Trustees.

22. Expenses of the Scheme

1. **Load Structure**

Exit Load:

Not Applicable.

The Units under the Scheme cannot be directly redeemed with the Fund as the Units are listed on the stock exchange(s).
Exit load is not applicable for Segregated Portfolio, if any, since subscription and redemptions shall not be allowed in such Segregated Portfolio.

2. **Recurring Expenses** (% p.a. of daily Net Assets)

These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents fee, marketing and selling costs etc. The expenses shall be subject to the base expense limits, brokerage limits, transaction cost and statutory levies permissible under the Scheme.

Various fees, expenses, charges and statutory levies that would be charged to the Scheme:

Expense Head	% of daily net assets (estimated) (p.a.)
Trustee fees and expenses, Audit fees and expenses, cost of statutory advertisements, investor communication & publications, depository charges, Marketing & Selling Expenses excluding distribution expenses etc.	0.01%
Cost towards investor education, awareness and financial inclusion (at least 0.02% p.a.)	0.02%
Maximum Base Expense Ratio (BER) under the Scheme	**Upto 0.03%**

The Scheme being a philanthropic initiative by the AMC, no investment management and advisory fee shall be charged by the AMC. The AMC has also managed to get a commitment from the Custodians & the RTA for waiver of their charges for this Scheme. However, the Scheme shall incur other expenses as indicated above. Thus, it is proposed to charge nominal base expense ratio of 3 basis points (bps) to the Scheme and any expenses incurred beyond 3 bps and all distribution expenses shall be borne / reimbursed fully by the AMC.

For the actual current expenses being charged, the investor should refer to the website of the mutual fund. Click here for Total Expense Ratio (TER) - https://www.hdfcfund.com/statutory-disclosure/total-expense-ratio-of-mutual-fund-schemes/reports

For further details, Investors are requested to read **"Section - Annual Scheme Recurring Expenses**" in the **SID**.

23. Tax Treatment for the Investors (Unit Holders)

Investors are advised to refer to the details in the Statement of Additional Information and also independently refer to their tax advisor.

24. Daily Net Asset Value (NAV) Publication

The AMC shall update the NAVs on the website of the Fund and AMFI by 10.00 a.m. on the next Business day.

25. For Investor Grievances, Please Contact

Investors may contact any of the Investor Service Centres (ISCs) of the AMC for any queries / clarifications at telephone number 1800 3010 6767/ 1800 419 7676 (toll free), e-mail: hello@hdfcfund.com.	**Registrar and Transfer Agent:** **Computer Age Management Services Ltd.,** Unit: HDFC Mutual Fund 5th Floor, Rayala Tower, 158, Anna Salai, Chennai - 600 002. Telephone No: 044-30212816 Fax No: 044-42032955 Email: enq_h@camsonline.com

26. Unit Holder's Information

Allotment / Refund:

The AMC shall allot units either in physical form (i.e. account statement) or in dematerialized form / refund money within 5 working days from the closure of the NFO.

Email ID for communication:

First / Sole Holders should register their own email address and mobile number in their folio for speed and ease of communication in a convenient and cost-effective manner, and to help prevent fraudulent transactions.

Account Statements:

1. The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).
2. A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds and holdings at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month on registered email address or before 12th of the succeeding month and by 15th of the succeeding month for those who have opted for physical copy.
3. Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 18th day of succeeding month on registered email address and 21st for those who have opted for physical copy, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable.

For further details, refer SAI.

Periodic Disclosures:

Sr. no.	Name of the Disclosure	Frequency	Timelines	Disclosed on	Link

1.	Half Yearly Results (Unaudited)	Half yearly	within one month from the close of each half year i.e. on 31st March and on 30th September.	AMC website AMFI website	https://www.hdfcfund.com/statutory-disclosure/scheme-financials https://www.amfiindia.com/otherdata/accounts
2.	Annual Report	Annually	not later than four months from the date of closure of the relevant account's year (i.e. 31st March each year).	AMC website AMFI website	https://www.hdfcfund.com/statutory-disclosure/annual-reports https://www.amfiindia.com/otherdata/accounts
3.	Daily Performance Disclosure (after scheme completes six months of existence)	Daily	-	AMFI website	https://www.amfiindia.com/otherdata/fund-performance
4.	Portfolio Disclosure	Monthly/Fortnightly	within 10 days from the close of each month	AMC website AMFI website	https://www.hdfcfund.com/statutory-disclosure/portfolio https://www.amfiindia.com/online-center/portfolio-disclosure
5.	Monthly Average Asset under Management (Monthly AAUM) Disclosure	Monthly	within 7 working days from the end of the month.	AMC website	https://www.hdfcfund.com/statutory-disclosure/aum
6.	Scheme and Benchmark Riskometer	Monthly	within 10 calendar days from the close of each month.	AMC website AMFI website	Monthly Portfolio - HDFC Mutual Fund (hdfcfund.com) https://www.amfiindia.com/online-center/risk-o-meter

7.	Scheme Summary Documents	Monthly	To be updated on a monthly basis or on changes in any of the specified fields, whichever is earlier.	AMC website AMFI website BSE website NSE website	https://www.hdfcfund.com/investor-services/fund-documents/scheme-summary https://www.amfiindia.com/otherdata/scheme-details https://www.bseindia.com/Static/Markets/MutualFunds/listOfAmc.aspx https://www.nseindia.com
8.	Investor Charter	-	As and when updated	AMC website	Investor Charter

IMPORTANT
Before investing, investors should also ascertain about any further changes pertaining to scheme such as features, load structure, etc. made to the Scheme Information Document/ Key Information Memorandum by issue of addenda/ notice after the date of this Document from the AMC/ Mutual Fund/ Investor Service Centres (ISCs)/ Website/ Distributors or Brokers or Investment Advisers holding valid registrations.