## SCHEME INFORMATION DOCUMENT

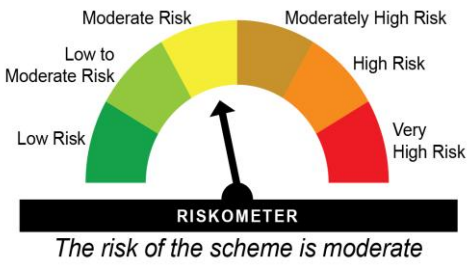
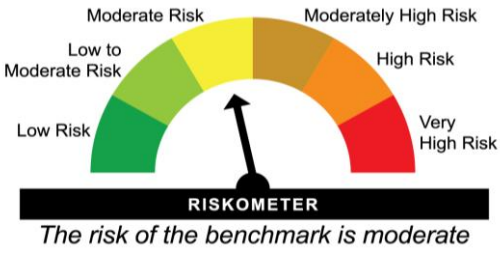
# HDFC Charity Fund for Cancer Cure (Feb 2030)

A Close Ended Income Scheme with Tenure of 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.<br><br>• Investments in Debt/Money Market Instruments and Government Securities. | <br>*The risk of the scheme is moderate* | **NIFTY Medium Duration Debt Index A-III**<br><br>*The risk of the benchmark is moderate* |
| *Investors should consult their financial advisers, if in doubt about whether the product is suitable for them.<br>#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.<br>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):**<br>HDFC Asset Management Company Limited<br>Registered Office:<br>HDFC House, 2nd Floor, H.T. Parekh Marg,<br>165-166, Backbay Reclamation,<br>Churchgate, Mumbai - 400 020.<br>CIN No: L65991MH1999PLC123027 | **Trustee Company:**<br>HDFC Trustee Company Limited<br>Registered Office:<br>HDFC House, 2nd Floor, H.T. Parekh Marg,<br>165-166, Backbay Reclamation,<br>Churchgate, Mumbai - 400 020.<br>CIN No. U65991MH1999PLC123026 |
| Website of the entities:<br>www.hdfcfund.com | |

**The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 2026, (herein after referred to as SEBI (MF) Regulations) as amended till date and circulars issued thereunder filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.**

The Scheme Information Document sets forth concisely the information about the Scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund/Investor Service Centres (ISCs)/Website/Distributors or Brokers.

**The investors are advised to refer to the Statement of Additional Information (SAI) for details of HDFC Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on www.hdfcfund.com**

**SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website www.hdfcfund.com**

**The Scheme Information Document (Section I and II) should be read in conjunction with the SAI and not in isolation.**

This Scheme Information Document 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.

## TABLE OF CONTENTS


SECTION I.....7
PART I. HIGHLIGHTS/SUMMARY OF THE SCHEME.....7
DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY.....13
RATIONALE FOR LAUNCH OF SCHEME:.....14
ABOUT INDIAN CANCER SOCIETY:.....14
PART II. INFORMATION ABOUT THE SCHEME.....19
A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?.....19
B. WHERE WILL THE SCHEME INVEST?.....22
C. WHAT ARE THE INVESTMENT STRATEGIES?.....22
D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?.....23
E. WHO MANAGES THE SCHEME?.....23
F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?.....26
G. HOW HAS THE SCHEME PERFORMED?.....27
H. ADDITIONAL SCHEME RELATED DISCLOSURES.....27
PART III. OTHER DETAILS.....28
A. COMPUTATION OF NAV.....28
B. NEW FUND OFFER (NFO) EXPENSES.....29
C. ANNUAL SCHEME RECURRING EXPENSES.....29
D. LOAD STRUCTURE.....32
SECTION II.....33
I. INTRODUCTION.....33
A. DEFINITIONS / INTERPRETATION.....33
B. RISK FACTORS.....33
C. RISK MITIGATION STRATEGIES.....41
II. INFORMATION ABOUT THE SCHEME:.....42
A. WHERE WILL THE SCHEME INVEST?.....42
B. WHAT ARE THE INVESTMENT RESTRICTIONS?.....55
C. FUNDAMENTAL ATTRIBUTES.....60

D. FLOORS AND CEILING WITHIN A RANGE OF 5% OF THE INTENDED ALLOCATION AGAINST EACH SUB CLASS OF ASSET ..... 61
E. OTHER SCHEME SPECIFIC DISCLOSURES: ..... 62
III. OTHER DETAILS ..... 76
A. PERIODIC DISCLOSURES ..... 76
B. TRANSPARENCY/NAV DISCLOSURE ..... 78
C. TRANSACTION CHARGES AND STAMP DUTY ..... 78
D. ASSOCIATE TRANSACTIONS ..... 79
E. ELIGIBILITY FOR CLAIMING DEDUCTION UNDER SECTION 133 OF INCOME TAX ACT, 2025 (ITA 2025) [CORRESPONDING TO SECTION 80G OF THE ERSTWHILE INCOME TAX ACT, 1961 (ITA 1961)] ..... 79
F. TAXATION ..... 82
G. RIGHTS OF UNITHOLDERS ..... 83
H. LIST OF OFFICIAL POINTS OF ACCEPTANCE: ..... 83
I. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY ..... 84

## SECTION I

## PART I. HIGHLIGHTS/SUMMARY OF THE SCHEME

| Sr. No. | Title | Description |
|---|---|---|
| I. | **Name of the Scheme** | **HDFC Charity Fund for Cancer Cure (Feb 2030)** |
| II. | **Category of the Scheme** | Not applicable as it is a Close Ended Scheme. |
| III. | **Scheme Type** | A Close Ended Income Scheme with Tenure of 1175 Days. A Relatively High Interest Rate Risk and Relatively Low Credit Risk. |
| IV. | **SEBI Scheme Code** | HDFC/C/D/FTP/26/10/0155 |
| V. | **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.<br>**There is no assurance that the investment objective of the Scheme will be achieved**. |
| VI. | **Liquidity/ Listing details** | The Units of the Scheme will be listed on the Capital Market Segment of the National Stock Exchange of India Ltd. (NSE) and / or BSE Ltd. (BSE). The Units of the Scheme cannot be redeemed by the investors directly with the Fund until the Maturity/ Final Redemption date. |
| VII. | **Benchmark (Total Return Index)** | **NIFTY Medium Duration Debt Index A-III**<br>The Scheme intends to have a portfolio mix of instruments, which are mainly captured by Nifty Medium Duration Debt Index A-III. Hence, it is an appropriate benchmark for the Fund. |
| VIII. | **NAV Disclosure** | The AMC will calculate and disclose the first NAVs of the Scheme not later than 5 Business Days from the date of allotment of units under the NFO.<br><br>Subsequently, the AMC shall calculate and disclose the NAVs under the Scheme by 11.00 p.m. on every Business day on the website(s) of AMC and AMFI.<br><br>For further details refer Section II. |
| IX. | **Applicable Timelines** | **Redemption on Maturity:** 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.<br><br>**IDCW Proceeds:** Will be transferred within 7 working days from the Record Date or as per timelines prescribed by SEBI/AMFI from time to time. |
| **X.** | **Plans and Options** | **Plans:** Regular & Direct.<br><br>Both Plans offer only Payout of Income Distribution cum Capital Withdrawal (IDCW) Option.<br><br>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.<br><br>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.<br><br>➢ This Option offers following sub-options:<br>• 50% IDCW Donation Option (Default)<br>• 75% IDCW Donation Option<br><br>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.<br><br>For detailed disclosure on default plans and options, kindly refer SAI. |
| **XI.** | **Load Structure** | **Exit Load:**<br>Not Applicable.<br><br>Exit load is not applicable for Segregated Portfolio, if any, since subscription and redemptions shall not be allowed in such Segregated Portfolio.<br><br>For further details on load structure, refer to the section 'Load Structure' |

| | | |
|---|---|---|
| **XII.** | **Minimum Application Amount/ Switch In** | **During NFO Period:** For Purchases / Switch-in: Rs.50,000/- and in multiple of Rs.1,000 thereafter.<br><br>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. |
| **XIII.** | **Minimum Additional Purchase Amount** | Not Applicable |
| **XIV.** | **Minimum Redemption Amount/ Switch Out Amount** | Not Applicable<br>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. |
| **XV.** | **New Fund Offer Period**<br>This is the period during which a new scheme sells its units to the investors. | NFO opens on: November 11, 2026<br>NFO closes on: November 23, 2026<br>The New Fund Offer shall remain open for subscription for a minimum period of 3 working days but shall not be kept open for more than 15 calendar days or such other time permitted under the applicable regulations / law. Any changes in dates will be published through Addendum on AMC website i.e. www.hdfcfund.com. |
| **XVI.** | **New Fund Offer Price**<br>This is the price per unit that the investors have to pay to invest during the NFO. | Rs. 10/- per unit. |
| **XVII.** | **Segregated portfolio/side pocketing disclosure** | The Scheme may create segregated portfolio(s) under certain circumstances.<br>For Details, kindly refer SAI. |
| **XVIII.** | **Stock Lending/Short Selling** | The Scheme may engage in Stock Lending. The Scheme shall not engage in Short Selling.<br>For Details, kindly refer SAI. |
| **XIX.** | **How to Apply and other details** | Investors can apply for their transactions requests either offline or electronically using the relevant application / transaction request forms available on our website or at any of our Officials Points of Acceptance.<br>The application form/transaction slip for subscription/ redemption/ switches can be submitted at our Official Points of Acceptances whose addresses are available on the website of the AMC. These include:<br>1. AMC / RTA's branches i.e. Investor Services Centres* |

| | | |
|---|---|---|
| | | 2. HDFC MF website and App/RTA website for investors to transact<br>3. MFSS/BSE StAR MF/ NSE MF Invest Platform/ National Commodity & Derivatives Exchange Limited (NCDEX) Nidhi platform (only for non-demat mode) platforms of the Stock Exchanges(s)<br>4. Authorized Points of Service of MF Utilities India Private Limited (MFUI)<br>5. Channel partners/ Distributors/ RIAs/ Portfolio Managers/Execution Only Platforms (EOPs) who have tied up with the AMC<br>6. MF Central<br>* Note: Business Centres i.e. Sales offices of HDFC AMC are not Official Points of Acceptance of transactions.<br><br>The above list is indicative. For further details, refer Section II.<br><br>Investors may apply through the ASBA process during the NFO period of the Scheme by filling in the ASBA form and submitting the same to their respective banks, which in turn will block the amount in the account as per the authority contained in ASBA form and undertake other tasks as per the procedure specified therein. For complete details on ASBA process refer Statement of Additional Information (SAI) made available on our website www.hdfcfund.com. |
| **XX.** | **Investor Services** | Contact details for general service requests:<br>• call at 1800 3010 6767/1800 419 7676 (toll free), or<br>• e-mail: hello@hdfcfund.com or<br>• Investors may contact / visit any of the Investor Service Centres (ISCs) of the AMC; or<br>• post their feedback/suggestions on our website www.hdfcfund.com under the section 'Contact Us' ➔ Get in touch ➔ Write to us.<br><br>Contact details for complaints resolution:<br>• call at 1800 3010 6767/1800 419 7676 (toll free)<br>• e-mail: hello@hdfcfund.com<br><br>For any grievances with respect to transactions through NSE/BSE, the investors/Unit Holders should approach the investor grievance cell of the respective stock exchange. |
| **XXI.** | **Duration of the Scheme** | The Scheme shall have a tenure of 1175 days from the date of allotment of units. |

| | | |
|---|---|---|
| **XXII.** | **Maturity Date** | February 11, 2030.<br><br>If the Maturity Date falls on a Non-Business Day, then the immediately succeeding Business Day shall be considered as the Maturity Date. |
| **XXIII.** | **Donation to fight cancer** | In line with the rationale of the Scheme, the Investors shall have the discretion to decide the percentage of donation to be made to the Indian Cancer Society (ICS) for treatment of underprivileged cancer patients. For more details on ICS, refer Section 'About Indian Cancer Society'.<br>Such discretion shall be exercised by the unitholders by selecting either 50% IDCW Donation Option or 75% IDCW Donation Option offered under the Payout of Income Distribution cum Capital Withdrawal (IDCW) Option. Distribution under Payout of IDCW option shall be declared and paid to the unitholders out of the distributable surplus, if any, as may be decided by Trustees from time to time. ICS will debit the donation amount from the unitholders bank account.<br>The Investors shall be eligible to receive deduction under Section 133 of the Income Tax Act, 2025 (under the Old Regime) on the amount of donation made to the Indian Cancer Society. For more details on eligibility for deduction under Section 133 of Income Tax Act, 2025 please refer Section ELIGIBILITY FOR CLAIMING DEDUCTION UNDER SECTION 133 OF INCOME TAX ACT, 2025<br>The donation received from Investors would be used to fund the treatment cost of cancer patients and thereby provide a new hope and life to an individual suffering from this disease.<br><br>**Contribution by the AMC**<br><br>HDFC AMC has been contributing to Indian Cancer Society (ICS) since 2011, during the term of Cancer Cure Schemes, launched by HDFC AMC from time to time. HDFC AMC shall continue to support the cause of `treating cancer patients' through ICS as part of its CSR activities, by contributing to ICS, from its own funds, each financial year, during the term of HDFC Charity Fund for Cancer Cure, an amount equivalent to the total amount of donations by the Donors, in such financial year to ICS, under the Scheme, subject to a limit of Rupees Sixteen Crores per financial year. |
| **XXIV.** | **Conversion / Roll Over / Merger of the Scheme** | At the time of its maturity or during the tenure of the Scheme, the Scheme may either be converted into an open ended scheme or be rolled over or be merged into another open ended Scheme, subject to applicable regulatory guidelines in this regard. |

| | | |
|---|---|---|
| **XXV.** | **Weblink** | Click here for Total Expense Ratio (TER) - https://www.hdfcfund.com/statutory-disclosure/total-expense-ratio-of-mutual-fund-schemes/reports<br>Click here for factsheet – https://www.hdfcfund.com/investor-services/factsheets |

## DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

(i) The Scheme Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 2026 and the guidelines and directives issued by SEBI from time to time.

(ii) All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.

(iii) The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.

(iv) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

(v) The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct.

(vi) The AMC has complied with the compliance checklist applicable for Scheme Information Documents and there are no deviations from the regulations.

(vii) Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the guidelines there under shall be applicable.

**Date:** October 22, 2026

**Name:** Supriya Sapre

**Place:** Mumbai

**Designation:** Chief Compliance Officer

## RATIONALE FOR LAUNCH OF SCHEME:

Every year more than 1.4 million new patients are diagnosed of cancer in India. The cost of treatment of cancer could range anywhere between Rs.1 lakh to Rs.10 lakhs or more. Many patients do not start their treatment or once started, do not complete the treatment due to lack of funds. Providing timely and substantial financial assistance to needy patients for cancer treatment provides them a good chance to fight the disease and return to regular productive life.

HDFC Debt Funds for Cancer Cure launched in 2011 and 2014 respectively and thereafter HDFC Charity Fund for Cancer Cure launched in 2017 and 2023 respectively were an HDFC MF philanthropic initiative in association with the ICS (refer annexure). To continue the philanthropic activities and to provide assistance to needy cancer patients with the help of donations from mutual fund investors, HDFC AMC proposes to launch HDFC Charity Fund for Cancer Cure (A Fixed Maturity Plan).

## ABOUT INDIAN CANCER SOCIETY:

Indian Cancer Society (ICS) was founded in 1951 by Dr. D Jussawalla and Mr. Naval Tata as India's first non-profit organization for cancer. The activities of ICS activities encompass the entire continuum of cancer care - cancer awareness, screening for early detection, financial help for diagnosis and treatment of the underprivileged, support group, rehabilitation of cancer survivors, registry, research and education. Since inception, the focus has been on creating awareness for prevention and screening for early detection. Rehabilitation of survivors was seen as the need from early days, so skill training programs were set up. This has now extended to After Completion of Treatment clinics for late effects and psychosocial requirements of survivors. The Cancer Registry, the first in Asia, provides reliable data on cancer incidence and mortality in Maharashtra. Cancer Cure which financially supports the initial diagnosis and treatment of underprivileged cancer patients.
ICS headquartered in Mumbai, Maharashtra has 6 branches across the country Delhi, Bengaluru, Kolkata, Nagpur, Lucknow and Patna
At an annual expenditure of about Rs.66.20 cr in Financial Year 2025-2026 towards achieving the objects of the trust, ICS is quite prominent cancer control NGO in the country.

### VISION

To be the beacon of hope against cancer

### MISSION

- To create awareness that Cancer is preventable and curable
- To facilitate early detection of cancer
- To offer emotional support and medical aid to cancer patients
- To establish and encourage cancer survivorship programmes
- To integrate cancer survivors back into society

- To facilitate advocacy and research against cancer

**MAJOR ACTIVITIES**

Indian Cancer Society (ICS) activities encompasses the entire continuum of Cancer Care which are as follows:

**AWARENESS**

The incidence of cancer is increasing rapidly in India. It is critical to create awareness that common cancers are preventable and offer better prognosis if detected early. Awareness of early signs and symptoms also enables people to seek treatment early.

ICS further sensitizes people about the benefits of regular Screening, dispels myths, stigma and fear attached to cancer. The focus is on the three most common cancers in India - Breast, Cervical and Oral.

Indian Cancer Society strengthens cancer awareness and prevention through capacity building of Medical officers and community healthcare workers, enabling impactful grassroots outreach through community awareness sessions reaching 2 million plus people.

Through integrated offline and digital cancer awareness campaigns, ICS has further reached over 160 million people (till date), encouraging regular health check-ups and proactive cancer screening to stay two steps ahead of cancer.'

**SCREENING**

Screening looks for early signs of cancer or pre-cancerous conditions before any symptoms appear. It can help spot cancers at an early stage, when treatment is more likely to be successful and the chances of survival are much better. Screening is effective in the prevention and early detection of Breast, Cervical and Oral Cancers. The screening camps are conducted in urban and rural areas mainly for the underprivileged as well as others. ICS ensures follow-up of suspect cases in order to take screened positives to a logical conclusion and provides financial assistance to the extent possible.

ICS has held +6000 camps and + 5 lakh persons have been screened.

**CANCER CURE FUND**

This Fund is a unique and innovative initiative where investors in the Fund donate their IDCW income for the treatment of underprivileged cancer patients. Launched in 2011 jointly with HDFC AMC, the Cancer Cure Fund provides financial aid for treatment to cancer patients who are unable to afford the cost and become distressed in their search for funds.

This project has transformed the lives of such patients, many of whom have completed their treatment and returned to a productive life once again. From raising Rs. 64 lakhs for aiding 88 patients in FY 2011-12, the fund has rapidly grown beyond all expectations, disbursing to the tune of Rs. 341.14 crores to more than 18,000 patients till March 2026.

- **DR. ARUN KURKURE INITIATION AND TREATMENT FUND**

Many a time, poor patients reach the hospital but have no money for the diagnostic tests where cancer is suspected and they return home demoralized. They come back when the cancer is at an advanced stage, the treatment is difficult costly and the chances of survival are not good. This fund supports such patients for their diagnostic tests and also their first emergency treatment without any loss of time, giving them the best opportunity for recovery from cancer.
Since 2019, more than 17,000 beneficiaries have benefited from the Scheme which provided a maximumof Rs 25,000 per patient. Till March 2026 Rs. 23.82 crores has been disbursed under this project.

- **REGISTRY, RESEARCH AND EDUCATION**

ICS's Cancer Registry is the 1st registry in India, established in 1963 covering the populationof Greater Mumbai, Pune, Aurangabad and Nagpur. The registry obtains data from a definedurban population, studies the pattern of the disease and documents habits, behavior patterns and the environmental background that could impact the onset of cancer. The data is used for research, Government health policies and cancer control programs. The registry data is useful for projecting the magnitude, pattern and trends of Cancer incidence in India.

So far, more than 105 research articles have been published in International and National Journals and 60 Monographs on Cancer incidence and mortality, survival and trends.

**Indian Journal of Cancer:** The Indian Journal of Cancer, the first indexed oncology journal from India, was established in 1963 and is serving the needs of all the specialties of oncology.

- **SURVIVOURSHIP AND REHABILITATION**

ICS is making efforts under its Survivorship & Rehabilitation vertical to develop holistic rehabilitation intervention programs for optimizing quality of life of childhood cancer survivors and bringing them into mainstream society.

The Rehabilitation Centre was started in 1963 for nonmedical services to benefit underprivileged cancer patients and survivors. The aim is to keep them engaged so that theyremain motivated to complete their treatment. It allows them to be with others who are also undergoing treatment and form social bonds with shared experiences and also learn a new skill.

A 6 month Tailoring course is conducted. Stipend and conveyance allowance are also provided.

Dr. D Jussawalla Education & Vocational skills fund: The aim of this fund is to provide financial support for childhood cancer survivors for their education. Families of children with cancer face major financial challenges as they have spent a large amount of money on the child' s treatment. The cancer experience interrupts their education for one or two years and they need help to get back into the mainstream. So far 511applications have been approved and funds to the tune of Rs. 3.88 cr. has been disbursed under this Scheme.

Under Late effect treatment and investigation fund, 216 patients have been supported to the tune of Rs 1.35 cr disbursed under the scheme.

Survivorship program for childhood & young cancer survivors Survivorship is an important component of cancer control programs. Medical care needs to be complemented with psychosocial care to improve

the quality of life of childhood cancer survivors and to decrease the lost to follow up cases by increasing awareness on late effects of cancer therapy. Project PICASSO (Partnership in cancer survivorship optimization) facilitates hospitals to start Hospital based After Completion of Treatment (ACT) clinics for holistic (Medical + Psychosocial) care of childhood cancer survivors. ICS has partnered with 19 hospitals in 10 states for this program. Till date more than 4,000 patients have been supported under this project.

- **BOARD OF TRUSTEES**
  - Mr Hari Mundra (Chairman)
  - Dr. C S Pramesh (Vice Chairman)
  - Mrs Usha Thorat (Hon Secretary & Managing Trustee)
  - Dr Purna Kurkure (Jt Managing Trustee)
  - Mr. Gautam Chakravarti (Hon.Treasurer)
  - Dr Vinay Deshmane (Trustee)
  - Mr K A Narayan (Joint Hon Secretary)
  - Mr Kewal Nohria Trustee)
  - Mr M K Sharma (Trustee)
  - Mr Kiran Talcherkar (Trustee)

  More information regarding ICS's activities is available on https://www.indiancancersociety.org/

- **Awards**

ICS was awarded the "**Best Civil Society Organization Award - 2021**" from Asian Centre for Corporate Governance and Sustainability.

Indian Cancer Society has been conferred with the prestigious Gold Award – "**NGO's Providing Financial Support to Needy Patients"** by India Health Wellness Council during its 8th IHW Summit and Awards ceremony held at ITC Grand Central, Mumbai on 19th January 2023. The summit was co-hosted by the Public Health and Family Department, Government of Maharashtra and supported by NITI Aayog, Government of India.

On 24th February 2023 ICS received the award for "Big **Impact Creator in Social Service**" by Big FM and Chamber of Commerce and Industry, India.

Recognition of the Cancer Cure Fund project through a case study titled "Indian Cancer Society: Innovative Funding of Cancer Treatment", authored by Prof. Arvind Sahay, former faculty at IIM Ahmedabad. The case, published on the IIMA Case Centre Website, won the prestigious Best-Case Award (2024). It was felicitated at the Pre-Convocation Merit Awards on March 28, 2025, and selected as one of 14 cases to receive the IIMA Endowment Case Award 2025.

On 19th Dec 2025, ICS - Cancer Cure Fund has been awarded for the **outstanding contribution** in the 4th Social Leadership Award by Bengal Chamber of Commerce and Industry.

- **Milestones of Indian Cancer Society**

  - 50s/60s- first cytology unit, first chemo unit, first cancer detection centre, first population based registry,

first scientific journal

- 80s- first rehab centre, first mobile mammo unit, first cancer insurance scheme
- 1996- Promoted Rajiv Gandhi Cancer Hospital Delhi
- 2009 - Set up UGAM a survivorship care program
- 2011 - Launched HDFC Charity Fund for Cancer Cure – the first ever MF scheme to raise funds for philanthropy
- 2016 - Launch of Picasso project for survivors in 12 hospitals
- 2020 - Promoting the HCG Khubchandani Cancer Hospital Mumbai
- 2021-22 Launch of M - Shakti apps on Cancer Awareness, 40 module E-learning course (9K subscribers) and video based medical education programs for General Practitioners and primary health providers
- 2022-23 Re-launch of C.K.Handoo scholarship to provide grants for study and research in cancer - its control, treatment and care and launch of Project Satark in collaboration with state government to build front line health workers with awareness.
- 2023-24 Rise Against Cancer Mobile App launched
- 2024-25 Rollout of Breast Cancer Awareness Film.

## PART II. INFORMATION ABOUT THE SCHEME

### A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

| Type of 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<br>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 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.

## B. WHERE WILL THE SCHEME INVEST?

The Scheme will invest in securities as mentioned below. The investments will be made as per the limits specified in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations or any other applicable laws and guidelines.

- Debt securities Money Market instruments and Government Securities;
- Derivatives - Fixed Income
- Units of Debt Mutual Fund Schemes
- Investment in overseas securities shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time.

For detailed disclosures, kindly refer Section II.

## C. WHAT ARE THE INVESTMENT STRATEGIES?

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.

**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.**

**Risk Control**

Investments made from the net assets of the Scheme would be in accordance with the investment objective of the Scheme and the provisions of the SEBI (MF) Regulations. The AMC will strive to achieve the investment objective by investing in Debt and Money Market Instruments. Every investment opportunity in Debt and Money Market Instruments would be assessed with regard to credit risk, interest rate risk, liquidity risk, derivatives risk and concentration risk.

**PORTFOLIO TURNOVER**

In view of the nature of the Scheme, there will likely be low turnover in the portfolio of the Scheme.

## D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

**NIFTY Medium Duration Debt Index A-III**

The Scheme intends to have a portfolio mix of instruments, which are mainly captured by Nifty Medium Duration Debt Index A-III. Hence, it is an appropriate benchmark for the Fund.

The Trustee reserves right to change the benchmark for performance of the scheme in conformity with the investment objectives and appropriateness of the benchmark subject to SEBI (MF) Regulations, and other prevailing guidelines, if any.

## E. WHO MANAGES THE SCHEME?

The details of Fund Manager of the Scheme are as follows:

| Name, Age & tenure^ | Educational Qualifications | Experience (last 10 years) | Other Fund(s) Managed* |
|---|---|---|---|
| **Anil Bamboli**<br>55 Years | • B. Com, Grad<br>• CWA,<br>• MMS (Finance),<br>• CFA (CFA Institute) | Collectively over 32 years experience in Fund Management and Research, Fixed Income dealing<br>• **July 25, 2003 till Date:** HDFC Asset Management Company Limited | 1. HDFC Arbitrage Fund (co-managed Scheme)<br>2. HDFC Balanced Advantage Fund (co-managed Scheme)<br>3. HDFC Banking and PSU Debt Fund<br>4. HDFC Charity Fund for Cancer Cure (A Fixed Maturity Plan)<br>5. HDFC Children's Fund (co-managed Scheme)<br>6. HDFC Dynamic Term Fund |

| | | | |
|---|---|---|---|
| | | | 7. HDFC Equity Savings Fund (co-managed Scheme)<br>8. HDFC Floating Interest Rates Fund<br>9. HDFC Gilt Fund<br>10. HDFC Income Plus Arbitrage Active FOF (co-managed Scheme)<br>11. HDFC Medium Term Fund (co-managed Scheme)<br>12. HDFC Multi-Asset Active FOF (co-managed Scheme)<br>13. HDFC Multi Asset Allocation Fund (co-managed Scheme)<br>14. HDFC Short Term Fund<br>15. HDFC Ultra Short Term Fund (co-managed Scheme) |

*excluding Overseas investments if any.

^Cut-off date considered for calculation of tenure is September 30, 2026.

**Fund Manager for Overseas Investments:**

| Name, Age & tenure^ | Educational Qualifications | Experience (last 10 years) | Other Fund(s) Managed |
|---|---|---|---|
| **Gopal Agrawal**<br>53 Years | • B.E.,<br>• MBM | Collectively over 23 years experience in Fund Management and 2.5 years in Equity Research<br><br>• **July 9, 2020 till Date:** HDFC Asset Management Company Limited<br><br>• **July 23, 2018 till June 30, 2020:** DSP Investment Managers Private Limited<br>Last Position Held: Senior Fund Manager and Head-Macro strategy | 1. HDFC Arbitrage Fund (co-managed Scheme)<br>2. HDFC Aggressive Hybrid Fund (co-managed Scheme)<br>3. HDFC Balanced Advantage Fund (co-managed Scheme)<br>4. HDFC Banking and PSU Debt Fund<br>5. HDFC Banking & Financial Services Fund<br>6. HDFC Business Cycle Fund<br>7. HDFC Charity Fund for Cancer Cure (A Fixed Maturity Plan) |

| | | | |
|---|---|---|---|
| | | • **April 03, 2017 till July 16, 2018:**<br>TATA Asset Management Company Limited<br>Last Position Held: CIO-Equity<br><br>• **October 01, 2007 till March 31, 2017:**<br>Mirae Asset Global Investments (India) Pvt. Ltd..<br>Last Position Held: CIO-Equity and Chief Strategist | 8. HDFC Children's Fund (co-managed Scheme)<br>9. HDFC Conservative Hybrid Fund (co-managed Scheme)<br>10. HDFC Consumption Fund (co-managed Scheme)<br>11. HDFC Corporate Bond Fund<br>12. HDFC Credit Risk Fund<br>13. HDFC Defence Fund (co-managed Scheme)<br>14. HDFC Dividend Yield Fund<br>15. HDFC Dynamic Term Fund<br>16. HDFC ELSS - Tax Saver Fund<br>17. HDFC Equity Savings Fund (co-managed Scheme)<br>18. HDFC Flexi Cap Fund<br>19. HDFC Floating Interest Rates Fund<br>20. HDFC Focused Fund<br>21. HDFC Gilt Fund<br>22. HDFC Housing Opportunities Fund<br>23. HDFC Infrastructure Fund<br>24. HDFC Innovation Fund<br>25. HDFC Large & Mid Cap Fund<br>26. HDFC Large Cap Fund<br>27. HDFC Liquid Fund (co-managed Scheme)<br>28. HDFC Long Term Fund<br>29. HDFC Manufacturing Fund<br>30. HDFC Medium Term Fund (co-managed Scheme)<br>31. HDFC Medium to Long Term Fund |

| | | | |
|---|---|---|---|
| | | | 32. HDFC Mid Cap Fund<br>33. HDFC MNC Fund (co-managed Scheme)<br>34. HDFC Money Market Fund<br>35. HDFC Multi Asset Allocation Fund (co-managed Scheme)<br>36. HDFC Multi Cap Fund<br>37. HDFC Pharma and Healthcare Fund<br>38. HDFC Retirement Fund - Equity Plan (co-managed Scheme)<br>39. HDFC Retirement Fund - Hybrid-Debt Plan (co-managed Scheme)<br>40. HDFC Retirement Fund - Hybrid-Equity Plan (co-managed Scheme)<br>41. HDFC Short Term Fund<br>42. HDFC Small Cap Fund<br>43. HDFC Technology Fund (co-managed Scheme)<br>44. HDFC Transportation and Logistics Fund (co-managed Scheme)<br>45. HDFC Ultra Short Term Fund (co-managed Scheme)<br>46. HDFC Ultra Short to Short Term Fund<br>47. HDFC Value Fund |

^Cut-off date considered for calculation of tenure is September 30, 2026.

**F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?**

Reference list of existing Close ended Schemes of HDFC Mutual Fund:

| Sr. No. | Scheme Name | Maturity Date |
|---|---|---|
| 1. | HDFC Charity Fund for Cancer Cure (A Fixed Maturity Plan) | November 23, 2026 |
| 2. | HDFC FMP 1861D March 2022 - Series 46 | April 12, 2027 |
| 3. | HDFC FMP 1876D March 2022 - Series 46 | May 17, 2027 |
| 4. | HDFC FMP 2638D February 2023 - Series 47 | May 14, 2030 |

Comparison between various schemes of HDFC Mutual Fund - Not applicable for close-ended schemes as they are not open for subscription after their NFOs.

## G. HOW HAS THE SCHEME PERFORMED?

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

## H. 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 – Fortnightly/Monthly
iv. Addendum
v. Aggregate investment in the Scheme by Fund Manager(s), key personnel and AMC directors.

However, the following disclosures will be made available as and when due, as given below:

**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

For disclosure with respect to investments by key personnel and AMC directors including regulatory provisions in this regard, kindly refer SAI.

## INVESTMENT BY THE AMC IN THE SCHEME

The AMC may invest in the Scheme or other Schemes of the Fund, in accordance with and subject to the SEBI (MF) Regulations. As per the existing SEBI (MF) Regulations and circulars issued thereunder, the AMC will not charge Investment Management and Advisory fee on the investment made by it in

Schemes of the Mutual Fund. In case of NFO, AMC's Mandatory investment may be made during the allotment of units and shall be calculated as a percentage of the final allotment value excluding AMC's mandatory investment amount.

For details of existing mandatory investments by AMC in various schemes, visit - https://www.hdfcfund.com/statutory-disclosure/mandatory-investment-amc

## PART III. OTHER DETAILS

### A. COMPUTATION OF NAV

**Methodology for Computation of NAV:**

The Net Asset Value (NAV) per Unit of the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding under the Scheme on the valuation date. The AMC will value its investments according to the valuation norms, as specified in Schedule VII of the SEBI (MF) Regulations, or such norms as may be specified by SEBI from time to time and as stipulated in the Valuation Policy and Procedures of the Fund, provided in SAI / available on website.

In case of any conflict between the Principles of Fair Valuation and valuation guidelines specified by SEBI, the Principles of Fair Valuation shall prevail.

NAV of Units under each Scheme/ Plan shall be calculated as shown below:

$$\text{NAV (Rs.) per Unit} = \frac{\text{Market or Fair Value of the Scheme's Investments + Current Assets - Current Liabilities and Provisions}}{\text{No. of Units outstanding under the Scheme/Plan on the valuation date}}$$

The NAV of the Scheme will be calculated and disclosed at the close of every Business Day.

Separate NAV will be calculated and announced for each of Plans/Options. The NAVs will be calculated upto 4 decimals. Units will be allotted upto 3 decimals.

**Illustration for Computation of NAV:**

NAV for the Scheme shall be calculated as shown below:

| Particulars | Amount (In INR) |
|---|---|
| Assets | |

| | |
|---|---|
| **Investments (at Market Value)** | 10,000 |
| **Current Assets** | |
| Interest receivable | 1,000 |
| Dividend Receivables | 550 |
| Trades Receivables | 1,500 |
| **Total Assets (A)** | 13,050 |
| **Current Liabilities** | |
| Trade Payables | 1,500 |
| Expense Payable | 25 |
| Dividend payable | 25 |
| **Total Liabilities (B)** | 1,550 |
| **Net Assets (C) (A – B)** | 11,500 |
| **Units Outstanding (D)** | 1,000 |
| **NAV per unit (C/D)** | ₹ 11.50 |

**METHODOLOGY FOR CALCULATION OF SALE AND REPURCHASE PRICE**

Not applicable as the Scheme is close-ended. Units cannot be purchased after New Fund Offer. Further, Units cannot be redeemed by the investors directly with the Fund until the Maturity/ Final Redemption date. Hence, there is no exit load under the Scheme. Maturity proceeds shall be paid at Applicable NAV.

For other details such as policies with respect to computation of NAV, rounding off, investment in foreign securities, procedure in case of delay in disclosure of NAV etc., refer to SAI.

**B. NEW FUND OFFER (NFO) EXPENSES**

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution, marketing and advertising, registrar expenses, printing and stationery, bank charges etc. The NFO Expenses shall be borne by the AMC / the Trustee Company/ Sponsor. All the expenditures pertaining to launch of new fund offer till the date of allotment of mutual fund units to investors shall be borne by the asset management company or trustees or sponsor.

**C. ANNUAL SCHEME RECURRING EXPENSES**

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[1], Audit fees and expenses, cost of statutory advertisements, investor communication & publications, depository charges, Marketing & Selling Expenses excluding distribution expenses etc.[2] | 0.01% |
| Cost towards investor education, awareness and financial inclusion (at least 0.02% p.a.)[3] | 0.02% |
| **Maximum Base Expense Ratio (BER) under the Scheme[2]** | **Upto 0.03%** |
| Statutory levies (including GST) on all expenses mentioned above excluding brokerage and transaction cost[4] | GST of 18% or any other rate as may be levied from time to time on the Taxable/ Invoice/ Contract amount. Additionally, levies such as Stamp Duty, STT etc. |
| Statutory levies (including GST) on brokerage and transaction cost[4] | Will be charged on Turnover of securities at prescribed rates |

**Notes:**

**[1]Trustee Fees and Expenses**
In accordance with the Trust Deed constituting the Mutual Fund, the Trustee is entitled to receive, in addition to the reimbursement of all costs, charges and expenses, a quarterly fee computed at a rate not exceeding 0.10% per annum of the daily net assets of the Scheme(s) or a sum of Rs. 15,00,000 per annum, whichever is higher. Such fee shall be paid to the Trustee within seven working days from the end of each quarter every year, namely, within 7 working days from June 30, September 30, December 31 and March 31 of each year. The Trustee may charge expenses as permitted from time to time under the Trust Deed and SEBI (MF) Regulations.

**[2]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.**

**[3]Investor Education and Awareness initiatives**

As per clause 11.9 of Master Circular, the AMC shall annually set apart at least 2 basis points p.a. (i.e. 0.02% p.a.) on daily net assets of the Scheme within the limits of base expenses prescribed under Regulation 66 of SEBI (MF) Regulations for investor education and awareness initiatives undertaken.

Further, as per Clause 11.6 of Master Circular, the AMC shall pay additional commission to distributors for onboarding new individual investors (new PAN) from B-30 cities at the mutual fund industry Level and new women individual investors (new PAN) from both Top 30 and B-30 cities.

The additional distribution commission shall be paid from the 2 basis points on daily net assets, mandated to be set apart annually by AMCs for investor education, awareness and financial inclusion initiatives, subject to adequate claw back provisions. The additional commission shall be in addition to the existing trail commission paid to the distributor from the scheme.

[4]Statutory levy means levy imposed by state government and central government.

The mutual fund would update the expense ratios on the website (www.hdfcfund.com) under the Section titled "Statutory Disclosures" under sub-section titled "Total Expense Ratio of Mutual Fund Schemes". Any change in the BER in comparison to previous BER charged to any scheme/plan shall be communicated to investors of the Scheme at least three working days prior to effecting such change. Further, the notice of change in BER shall be updated in the aforesaid section of the website at least three working days prior to effecting such change. Provided that any change in BER in a mutual fund scheme due to change in AUM or any decrease in BER in a mutual fund scheme due to various other regulatory requirements shall not require issuance of any prior notice to the investors.

**Illustration: Impact of Expense Ratio on Scheme's return:**

Expense ratio, normally expressed as a percentage of Average Assets under Management, is calculated by dividing the permissible expenses under the Regulations by the average net assets.

To further illustrate in rupee terms the above, for the Scheme under reference, suppose an Investor invested Rs. 10,000/- (after deduction of stamp duty), the impact of expenses charged will be as under:

| **Particulars** | **Regular Plan** | **Direct Plan** |
|---|---|---|
| Amount invested at the beginning of the year (Rs.) | 10,000 | 10,000 |
| Assumed Returns before expenses (Rs.) | 1,503 | 1,503 |
| Expenses other than Distribution expenses (Rs.) | 3 | 3 |
| Distribution expenses (Rs.) | 0 | 0 |
| **Returns after expenses at the end of the year (Rs.)** | **1500** | **1500** |
| **Returns (in %)** | **15%** | **15%** |

**Note(s):**

- The purpose of the above illustration is purely to explain the impact of expense ratio charged to the Plan(s) under the Scheme and should not be construed as providing any kind of investment advice or guarantee of returns on investments.
- It may be noted that **as the AMC will bear / reimburse distribution expenses, there shall be no difference between the expenses / TER charged to Direct Plan and to Regular Plan.**

- Any tax impact has not been considered in the above example, in view of the individual nature of the tax implications. Each investor is requested to seek appropriate advice.

## D. LOAD STRUCTURE

| Type of Load | Load chargeable (as %age of NAV) |
|---|---|
| Exit Load | Not Applicable.<br><br>The Units under the Scheme cannot be directly redeemed with the Fund as the Units are listed on the stock exchange(s).<br>Exit load is not applicable for Segregated Portfolio, if any, since subscription and redemptions shall not be allowed in such Segregated Portfolio. |

No Entry Load will be charged.

The AMC/ Trustee if it so deems fit in the interest of smooth and efficient functioning of the Mutual Fund reserves the right to introduce/modify the Load Structure depending upon the circumstances prevailing at that time subject to maximum limits as prescribed under the SEBI (MF) Regulations.

## SECTION II

## I. INTRODUCTION

### A. DEFINITIONS / INTERPRETATION

Visit: https://www.hdfcfund.com/statutory-disclosure/offer-document-disclosures

### B. RISK FACTORS

#### (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) Risk factors associated with investment in Tri-Party Repo:**

The mutual fund is a member of securities segment and Triparty Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus, reducing the settlement and counterparty risks considerably for transactions in the said segments. The members are required to contribute an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL).

As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members. Thus, the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the

fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member).

CCIL shall maintain two separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from Triparty Repo trades. The mutual fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the contribution of the mutual fund is called upon to absorb settlement/default losses of another member by CCIL, as a result the scheme may lose an amount equivalent to its contribution to the default fund.

**(v) 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.

**(vi) 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.

**(vii) 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.

**(viii) 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.

**(ix) 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.

**(x) 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.

**(xi) 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.

**(xii) 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.

## C. RISK MITIGATION STRATEGIES

Investments made by the scheme would be in accordance with the investment objective of the scheme and provisions of SEBI (MF) Regulations. Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process broadly encompasses managing various risks through portfolio diversification etc. The AMC may also implement certain internal control procedures / risk & exposure limits etc., which may be varied from time to time. With the aim of managing credit risks, credit evaluation of the securities proposed to be invested in is carried out by the investment team of the AMC.

### Credit Evaluation Process

The credit evaluation policy of the AMC entails evaluation of credit fundamentals of each investment opportunity. Some of the factors that are evaluated inter-alia may include outlook on the sector, parentage, quality of management, and overall financial strength of the credit. The AMC utilises ratings of recognized rating agencies as an input in the credit evaluation process. Investments in bonds and debenture are usually in instruments that have been assigned high investment grade ratings by a recognized rating agency.

In line with clause 13.1.4 of Master Circular, the AMC may constitute committee(s) to approve proposals for investments in unrated instruments. The AMC Board and the Trustee shall approve the detailed parameters for such investments. The details of such investments would be communicated by the AMC to the Trustee in their periodical reports. It would also be clearly mentioned in the reports, how the parameters have been complied with. However, in case any security does not fall under the parameters, the prior approval of Board of AMC and Trustee shall be sought.

- **Liquidity Risk:** Liquidity risk is the risk of not being able to sell / liquidate a security at short notice at prevailing market prices or without incurring impact cost. While government bonds, money market instruments and shorter maturity instruments are generally easier to sell, corporate bonds and other instruments typically face higher liquidity risk. Further, higher rated securities normally are more liquid compared to lower rated securities. As a result, different portfolios will face different levels of liquidity risk based on the underlying portfolio composition. Some of the strategies to reduce liquidity risk are creating portfolios that are diversified across maturities, ratings, types of securities, etc. in line with the fund objectives, regulations and investment strategy.

- **Credit Risk:** Lower rated securities have a higher credit risk compared to higher rated securities. Hence, credit risk faced by different schemes will be different based on the underlying portfolio / investment strategy. To reduce the credit risk, a comprehensive and in-depth credit evaluation of each issuer will be undertaken, using both quantitative (leverage, profitability, solvency ratios etc.) and qualitative factors (parentage, track record etc.). Each of the scheme/portfolio will endeavour to maintain adequate diversification across issuers / sectors in line with scheme objectives, regulations and investment strategy. Unrated investments, if any, would require specific approval from a committee constituted for the purpose.
- **Interest Rate Risk:** Interest rate risk is the risk of change in the NAVs due to change in overall market yields. The change in value of a security, for a given change in yield, is higher for a security with higher duration and vice versa. Hence portfolios with higher duration will have higher volatility. The AMC shall strive to actively manage the duration of the respective funds based on the prevailing market conditions / outlook of interest rates, keeping in mind the scheme objectives, investment strategy and applicable regulations.
- **Concentration Risk:** The AMC will attempt to mitigate this risk by maintaining adequate diversification across issuers/ sectors / instrument type in line with the scheme objectives, investment strategy and applicable regulations. This will also be managed by keeping prudent investment limits on any particular industry or issuer or issuer group based on the size, credit profile, etc. to reduce issuer or industry specific risk.

**The liquidity Risk Management tools shall be as a under:**

| Liquidity Management Tool | Brief Description |
|---|---|
| **Potential Risk Matrix Circular & Risk-o-meter Circular** | The maximum risk that a scheme will run as per design and a measurement of that risk on a regular basis. Remedial measures also in place in case any of the design boundaries are breached. |
| **Risk Management Circular (RMC) Circular** | The RMC circular brings in ALM requirement which addresses potential Liquidity requirement over a 90-day period and required relevant asset side liquidity to be maintained. |

## II. INFORMATION ABOUT THE SCHEME:

### A. WHERE WILL THE SCHEME INVEST?

The Scheme will invest in securities as mentioned below. The investments will be made as per the limits specified in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations or any other applicable laws and guidelines.

The corpus of the Scheme shall be invested in accordance with the investment objective in any (but not exclusively) of the following securities:

Debt instruments issued by statutory bodies (which may or may not carry a state/central government guarantee), Corporate Entities (Public / Private sector undertakings), Public / Private sector banks and development financial institutions and guaranteed by Government of India and State Governments such as:

- **Debt instruments:**
  1. Non-convertible debentures;
  2. Bonds;
  3. Secured premium notes;
  4. Zero interest bonds;
  5. Deep discount bonds;
  6. Floating rate bond / notes;
  7. Pass through certificates;
  8. Asset backed securities;
  9. Mortgage backed securities;
  10. Structured Obligations, Credit enhanced Debt;
  11. Any other permissible domestic fixed income instrument

- **Money Market Instruments include:**
  1. Commercial papers
  2. Commercial bills
  3. Treasury bills
  4. Government securities having an unexpired maturity upto one year
  5. Tri-party Repos / Reverse Repos on Government securities or treasury bills (TREPS)
  6. Certificate of deposit
  7. Usance bills
  8. Permitted securities under a repo / reverse repo agreement
  9. Any other instruments as may be permitted by RBI / SEBI from time to time, subject to necessary regulatory approvals.

- As the Scheme invests in the Underlying Schemes, it will have exposure to other securities as per investments / transactions and limits of the Underlying Schemes.

Investment in debt securities will usually be in instruments, which have been assessed as "high investment grade" by at least one credit rating agency authorised to carry out such activity under the applicable regulations. Pursuant to clause 13.1.4 of Master Circular, the AMC may constitute committee(s) to approve proposals for investments in unrated debt instruments. The AMC Board and the Trustee shall approve the detailed parameters for such investments. The details of such investments

would be communicated by the AMC to the Trustee in their periodical reports. It would also be clearly mentioned in the reports, how the parameters have been complied with. However, in case any unrated debt security does not fall under the parameters, the prior approval of Board of AMC and Trustee shall be sought. Investment in debt instruments shall generally have a low risk profile and those in money market instruments shall have an even lower risk profile. The maturity profile of debt instruments will be selected in accordance with the AMC's view regarding current market conditions, interest rate outlook and the stability of ratings.

Investments in Debt and Money Market Instruments will be as per the limits specified in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations.

Investments in Debt and Money Market Instruments will be made through secondary market purchases, and public offers, placements and right offers (including renunciation). The securities could be listed, unlisted (as permitted), privately placed, secured / unsecured, rated / unrated.

Pending deployment as per investment objective, the moneys under the Scheme may be parked in short-term deposits of Scheduled Commercial Banks.

The Scheme shall abide by the guidelines for parking of funds in short term deposits as per clause 13.7 of Master Circular, as may be amended from to time. For details, refer section '**What are the Investment Restrictions'**.

- Units of debt mutual fund schemes
  The Scheme may invest in other schemes managed by the AMC or in the schemes of any other mutual funds, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing SEBI (MF) Regulations. As per the SEBI (MF) Regulations, no investment management fees will be charged for such investments and the aggregate inter scheme investment made by all the schemes of HDFC Mutual Fund or in the schemes of other mutual funds shall not exceed 5% of the net asset value of the HDFC Mutual Fund.

- **Investment in Foreign Securities**
  - The Scheme may also invest in suitable investment avenues in overseas financial markets for the purpose of diversification, yield enhancement and to benefit from potential foreign currency appreciation, commensurate with the Scheme objectives and subject clause 13.11.2 of Master Circular as may be amended from time to time and any other requirements as may be stipulated by SEBI/RBI from time to time. Towards this end, the Mutual Fund may also appoint overseas investment advisors and other service providers, as and when permissible under the regulations. The Scheme may, in terms of its investment objectives with the approval of SEBI/RBI invest in following Foreign Securities:
    - ADRs/ GDRs issued by Indian or foreign companies
    - Equity of overseas companies listed on recognized stock exchanges overseas
    - Initial and follow on public offerings for listing at recognized stock exchanges overseas

- Money market instruments rated not below investment grade
- Repos in the form of investment, where the counterparty is rated not below investment grade; repos should not however, involve any borrowing of funds by mutual funds
- Government securities where the countries are rated not below investment grade
- Derivatives traded on recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities
- Short term deposits with banks overseas where the issuer is rated not below investment grade
- Units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in (a) aforesaid securities, (b) Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or (c) permitted unlisted overseas securities (not exceeding 10% of their net assets) or d) Indian Securities not exceeding 25% of their net assets or such other limits and subject to such conditions in respect of the same, as specified by clause 13.11.9. of Master Circular as amended from time to time.

1. As per clause 13.11.2 of Master Circular:
   1.1. Mutual Funds can make overseas investments subject to a maximum of US $ 1 billion per Mutual Fund, within the overall industry limit of US $ 7 billion.
   1.2. Mutual Funds can make investments in overseas Exchange Traded Fund (ETF(s)) subject to a maximum of US $ 300 million per Mutual Fund, within the overall industry limit of US $ 1 billion.
2. The allocation methodology of the aforementioned limits shall be as follows:

2.1. In case of overseas investments specified at Para 1.1 above, US $ 50 million would be reserved for each Mutual Fund individually, within the overall industry limit of US $ 7 billion.

Further, as per extant norms, 20% of the average AUM in Overseas securities / Overseas ETFs of the previous three calendar months would be available to the Mutual Fund for investment that month to invest in Overseas securities / Overseas ETFs subject to maximum limits specified at Para 1 above.

Notwithstanding the above, the limit for investment in overseas securities including ETFs shall be as permitted by SEBI from time to time.

The Scheme shall not have an exposure of more than 20% of its net assets in foreign securities, subject to regulatory limits specified from time to time.

Subject to the approval of the RBI / SEBI and conditions as may be prescribed by them, the Mutual Fund may open one or more foreign currency accounts abroad either directly, or through the custodian/sub-custodian, to facilitate investments and to enter into/deal in forward currency contracts, currency futures, index options, index futures, currency options for the purpose of hedging the risks of assets of a portfolio or for its efficient management.

The Mutual Fund may, where necessary appoint intermediaries as sub-managers, sub-custodians, etc. for managing and administering such investments. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses as stated under Regulation 66 of SEBI (MF) Regulations.

- **Investment in Securitised Debt**

A securitisation transaction involves sale of receivables by the originator (a bank, non-banking finance company, housing finance company, or a manufacturing/service company) to a Special Purpose Vehicle (SPV), typically set up in the form of a trust. Investors are issued rated Pass Through Certificates (PTCs), the proceeds of which are paid as consideration to the originator. In this manner, the originator, by selling his loan receivables to an SPV, receives consideration from investors much before the maturity of the underlying loans. Investors are paid from the collections of the underlying loans from borrowers. Typically, the transaction is provided with a limited amount of credit enhancement (as stipulated by the rating agency for a target rating), which provides protection to investors against defaults by the underlying borrowers.

Generally available asset classes for securitisation in India are:

- Commercial vehicles
- Auto and two wheeler pools
- Mortgage pools (residential housing loans)
- Personal loan, credit card and other retail loans
- Corporate loans/receivables

**Investment / Risk Mitigation Strategy**

**1. Risk profile of securitised debt vis-à-vis risk appetite of the Scheme**

The risk profile of securitised debt is generally at par with the risk profile of other debt securities at the same level of credit rating. Securitised debt offers additional income (spread) over a debt security of similar rating and maturity, which enables the scheme to optimize its income without taking any additional credit risk. Securitised debt is generally less liquid, however, investment in securitised debt is made to maintain a diversified portfolio of debt securities that optimizes return without increasing the overall risk profile of the Scheme.

**2. Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitised debt, etc.**

The originator is an entity (like banks, non-banking finance companies, corporates etc.), which has initially provided the loan & is also generally responsible for servicing the loans. The schemes will invest in securitised debt of originators with at least investment grade credit rating and established track record. A detailed evaluation of originator is done before the investment is made in securitised debt of any originator on various parameters given below:

- **Track record**

  The investment in securitised debt is done based on origination and underwriting process and capabilities of the originator, overview of corporate structure, group to which they belong, experience of the company in the business & how long they have been in the business, financial condition of the company, credit rating, past performance of similar pools by the originator, etc.

- **Willingness to pay through credit enhancement facilities etc.**

  Credit enhancement is provided by the originator, as indicated by rating agencies, so as to adequately cover the defaults and acts as a risk mitigation measure. The size of the credit enhancement as indicated by rating agency depends on the originator's track record, past delinquencies, pattern of the portfolio & characteristics of the pool vis-a-vis of the portfolio, nature of the asset class.

- **Ability to pay**

The quality of the origination impacts the performance of the underlying asset & thus originators with strong systems and processes in place can eliminate poor quality assets. A robust risk management system of the originator and availability of MIS reports on timely basis, results in creation of strong asset portfolio.

- **Business Risk Assessment**

  The business risk assessment of originator / underlying borrower also includes detailed credit assessment wherein following factors are also considered:

  - Outlook for the economy (domestic and global)
  - Outlook for the industry
  - Company specific factors

  In addition, a detailed review and assessment of rating rationale is done along with interactions with the company as well as the rating agency. All investment in securitised debt is done after taking into account, the Critical Evaluation Parameters (for pool loan and single loan securitisation transactions) regarding the originator / underlying issuer as mentioned below:

  - Default track record/ frequent alteration of redemption conditions / covenants
  - High leverage ratios of the ultimate borrower (for single-sell downs) - both on a standalone basis as well on a consolidated level/ group level
  - Higher proportion of reschedulement of underlying assets of the pool or loan, as the case may be
  - Higher proportion of overdue assets of the pool or the underlying loan, as the case may be
  - Poor reputation in market
  - Insufficient track record of servicing of the pool or the loan, as the case may be.

**3. Risk mitigation strategies for investments with each kind of originator**

Investments are based on assessment of following parameters, so as to mitigate risk associated with such investment:

a. Credit quality, size and reach of the originator
b. Nature of receivables/asset category i.e. cars, construction equipment, commercial vehicles, personal loans etc.
c. Collection process, infrastructure and follow-up mechanism
d. Quality of MIS
e. Credit cum liquidity enhancement
f. Credit appraisal norms of originator
g. Asset Quality - portfolio delinquency levels
h. Past performance of rated pools
i. Pool Characteristics - seasoning, Loan-to-value ratios, geographic diversity etc.

**4. The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments**

Diversification of underlying assets is achieved through a) prudent mix of asset categories - i.e. cars (new, used), commercial vehicles, construction equipment, unsecured loans to individuals or small & medium enterprises b) total number of contracts in a pool c) average ticket size of loans and d) geographical distribution.

Risk mitigation measures for less diversified investments in pools is accomplished through the size of credit enhancement, seasoning or loan to value ratios.

Illustrative framework, which will be applied while evaluating investment decision relating to a pool securitisation transaction:

| **Characteristics/ Type of Pool** | **Mortgage Loan** | **Commercial Vehicle and Construction Equipment** | **Car** | **2 wheelers** | **Micro Finance Pools** | **Personal Loans** | **Single Sell Downs** | **Others** |
|---|---|---|---|---|---|---|---|---|
| Approximate Average maturity (in Months) | NA | 12-60 months | 12-60 months | 8-40 months | NA | NA | Refer Note A | Refer Note B |
| Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche) | NA | 5-20% | 4-15% | 4-15% | NA | NA | | |
| Average Loan to Value Ratio | NA | 80-95% | 70-90% | 70-95% | NA | NA | | |
| Average seasoning of the Pool | NA | 3-8 months | 3-8 months | 2-5 months | NA | NA | | |
| Maximum single exposure range | NA | 3-7% | NA (Retail pool) | NA (Retail Pool) | NA | NA | | |
| Average single exposure range % | NA | 1-5% | 0-1% | 0-1% | NA | NA | | |

NA - Not Applicable

Information in the table above is based on current scenario and is subject to change depending upon the change in related factors.

**Notes:**

A. In case of securitised debt with underlying being single loan, the investment limit applicable to the underlying borrower is considered.

B. Other investment will be decided on a case to case basis.

In case of asset backed pools (ABS), evaluation of the pool assets is done considering the following factors: (Refer the table above which illustrates the averages of parameters considered while selecting the pool)

- Size of the loan
- Average original maturity of the pool

- Loan to Value Ratio
- Average seasoning of the pool
- Default rate distribution
- Geographical Distribution
- Credit enhancement facility
- Liquid facility
- Structure of the pool

5. **Minimum retention period of the debt by originator prior to securitisation**

   The illustrative average seasoning of the debt by originator prior to securitisation is given above in table (Refer Point 4).

   Minimum retention period of the debt by originator prior to securitisation in the case of asset pools is in the form of seasoning of loans to various asset classes (cars, commercial vehicles, etc.) and generally varies from one month to six months depending on the nature of asset.

6. **Minimum retention percentage by originator of debts to be securitised**

   While minimum retention percentage by originator is not prescribed, any amount retained by the originator through subordination is viewed positively at the time of making investment and generally varies from 5% to 10%.

7. **The mechanism to tackle conflict of interest when the mutual fund invests in securitised debt of an originator and the originator in turn makes investments in that particular scheme of the fund**

   All proposals for investment in securitised debt are evaluated by the credit analyst based on several parameters such as nature of underlying asset category, pool characteristics, asset quality, credit rating of the securitisation transaction, and credit cum liquidity enhancement available. Investment in securitised debt in any scheme is made by the respective fund manager in line with the investment objective of that scheme.

8. **The resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitised debt (in general)**

   Investment in securitised debt is monitored regularly with regards to its performance on various parameters such as collection efficiency, delinquencies, prepayments and utilization of credit enhancement. Information on these parameters is available through monthly reports from Pool Trustees and through information disseminated by the rating agencies. Monthly performance report is released by the credit analyst to the fund management team and the fund management team periodically reviews the same.

**Trading in Derivatives**

- The Scheme may take derivatives position based on the opportunities available subject to the guidelines provided by SEBI from time to time and in line with the overall investment objective of the Scheme.

- The Scheme intends to use derivatives mainly for the purpose of hedging and portfolio balancing. Losses may arise as a result of using derivatives, but these are likely to be compensated by the gains on the underlying cash instruments held by the Scheme.
- The Scheme may take position in derivative instruments like Futures, Options, and such other derivative instruments as may be permitted by SEBI from time to time.

**Exposure to Derivatives**

The exposure limits for trading in derivatives by Mutual Funds specified by SEBI vide its clause 13.15 of Master Circular and as amended from time to time are as follows:

1. The cumulative gross exposure through debt, derivative positions (including fixed income derivatives), repo transactions in corporate debt securities, credit default swaps, other permitted securities/assets 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.

2. 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.

3. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:

a) Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
b) Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
c) Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
d) The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.

4. (a) Mutual Funds may enter into plain vanilla Interest Rate Swaps (IRS) for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme.

(b) In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if mutual funds are transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable.

5. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.

**Exposure limits on Credit Default Swaps (CDS)**

Exposure through CDS (Notional amount of both CDS bought and sold) shall not exceed 10% of AUM of Scheme and shall be within the overall limit of derivatives.

**Exposure limits on Interest Rate Futures (IRF)**

The exposure limits for trading in Interest Rate Futures (IRFs) by Mutual Funds specified by clause 13.15.2 of Master Circular are as follows:

i. To reduce interest rate risk in a debt portfolio, mutual funds may hedge the portfolio or part of the portfolio (including one or more securities) on weighted average modified duration basis by using Interest Rate Futures (IRFs). The maximum extent of short position that may be taken in IRFs to hedge interest rate risk of the portfolio or part of the portfolio, is as per the formula given below:

$$\frac{\text{(Portfolio Modified Duration*Market Value of Portfolio)}}{\text{(Futures Modified Duration *Futures Price/PAR)}}$$

ii. In case the IRF used for hedging the interest rate risk has different underlying security(s) than the existing position being hedged, it would result in imperfect hedging.

iii. Imperfect hedging using IRFs may be considered to be exempted from the gross exposure, upto maximum of 20% of the net assets of the scheme, subject to the following:

a) Exposure to IRFs is created only for hedging the interest rate risk based on the weighted average modified duration of the bond portfolio or part of the portfolio.

b) Mutual Funds are permitted to resort to imperfect hedging, without it being considered under the gross exposure limits, if and only if, the correlation between the portfolio or part of the portfolio (excluding the hedged portions, if any) and the IRF is atleast 0.9 at the time of initiation of hedge. In case of any subsequent deviation from the correlation criteria, the same may be rebalanced within 5 working days and if not rebalanced within the timeline, the derivative positions created for hedging shall be considered under the gross exposure computed in terms of clause 13.18.1 of Master Circular. The correlation should be calculated for a period of last 90 days.

Explanation: If the fund manager intends to do imperfect hedging upto 15% of the portfolio using IRFs on weighted average modified duration basis, either of the following conditions need to be complied with:

i. The correlation for past 90 days between the portfolio and the IRF is at least 0.9 or

ii. The correlation for past 90 days between the part of the portfolio (excluding the hedged portions, if any) i.e. at least 15% of the net asset of the scheme (including one or more securities) and the IRF is at least 0.9.

c) At no point of time, the net modified duration of part of the portfolio being hedged should be negative.

d) The portion of imperfect hedging in excess of 20% of the net assets of the scheme should be considered as creating exposure and shall be included in the computation of gross exposure in terms of clause 13.18.1 of Master Circular.

- **Debt Market In India**

The instruments available in Indian Debt Market are classified into two categories, namely Government and Non - Government debt. The instruments available in these categories include:

**A] Government Debt**

- Central Government Debt
- Treasury Bills
- Dated Government Securities
  - Coupon Bearing Bonds
  - Floating Rate Bonds
  - Zero Coupon Bonds
- State Government Debt
  - State Government Loans
  - Coupon Bearing Bonds

**B] Non-Government Debt**

- Instruments issued by Government Agencies and other Statutory Bodies
  - Government Guaranteed Bonds
  - PSU Bonds
- Instruments issued by Public Sector Undertakings
  - Commercial Paper
  - PSU Bonds
  - Fixed Coupon Bonds
  - Floating Rate Bonds
  - Zero Coupon Bonds
- Instruments issued by Banks and Development Financial Institutions
  - Certificates of Deposit
  - Promissory Notes
  - Bonds
  - Fixed Coupon Bonds

- Floating Rate Bonds
- Zero Coupon Bonds

- Instruments issued by Corporate Bodies
  - Commercial Paper
  - Non-Convertible Debentures
  - Fixed Coupon Debentures
  - Floating Rate Debentures
  - Zero Coupon Debentures
  - Pass Through Securities

Activity in the Primary and Secondary Market is dominated by Central Government Securities including Treasury Bills. These instruments comprise close to 60% of all outstanding debt and more than 75% of the daily trading volume on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited.

In the money market, activity levels of the Government and Non- Government Debt vary from time to time. Instruments that comprise a major portion of money market activity include,

- Overnight Call
- Repo/Reverse Repo Agreements
- Tri-party Repos on Government securities or treasury bills (TREPS)
- Treasury Bills
- Government Securities with a residual maturity of < 1 year
- Commercial Paper
- Certificates of Deposit
- Bills Rediscounting Scheme

Though not strictly classified as Money Market Instruments, PSU/ DFI / Corporate paper with a residual maturity of < 1 year, are actively traded and offer a viable investment option.

The following table gives approximate yields prevailing during the month ended **September 30, 2026** on some of the instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing consequent to changes in macro economic conditions and RBI policy.

| **Instrument** | **Yield Range (% per annum)** |
|---|---|
| Inter bank Call Money | 4.35 -5.25 |
| 91 Day Treasury Bill | 5.17 -5.50 |
| 364 Day Treasury Bill | 5.81 -6.17 |
| A1 + Commercial Paper 90 Days | 5.90 -6.40 |
| 5 Year Government of India Security | 6.49 - 6.89 |
| 10 Year Government of India Security | 6.94 -7.19 |
| 15 Year Government of India Security | 7.10 -7.38 |
| 1 Year Corporate Bond - AAA Rated | 7.10 -7.87 |
| 3 Year Corporate Bond - AAA Rated | 7.58 -8.12 |
| 5 Year Corporate Bond - AAA Rated | 7.46 -8.14 |

Source: Bloomberg

These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing consequent to changes in macro economic conditions and RBI policy. The price and yield on various debt instruments fluctuate from time to time depending upon the macro economic situation, inflation rate, overall liquidity position, foreign exchange scenario etc. Also, the price and yield vary according to maturity profile, credit risk etc.

Generally, for instruments issued by a non-Government entity (corporate / PSU bonds), the yield is higher than the yield on a Government Security with corresponding maturity. The difference, known as credit spread, depends on the credit rating of the entity.

- **Overseas Debt Market**

The nature and number of debt instruments available in international debt markets is very wide. In terms of diverse instruments as well as liquidity, overseas debt markets offer great depth and are extremely well developed.

Investment in international debt greatly expands the universe of top quality debt, which is no longer restricted to the limited papers available in the domestic debt market. The higher rated overseas sovereign, quasi-government and corporate debt offer lower default risk in addition to offering a high degree of liquidity since these are traded across major international markets. Investments in rated international debt offer multiple benefits of risk reduction, a much wider universe of top quality debt and also potential gains from currency movements.

Investments in international markets are most often in U.S. dollars, though the Euro, Pound Sterling and the Yen are also major currencies. Though this market is geographically well spread across global financial centres, the markets in the U.S., European Union and London offer the most liquidity and depth of instruments.

Besides factors specific to the country / issuer, international bond prices are influenced to a large extent by a number of other factors; chief among these are the international economic outlook, changes in interest rates in major economies, trading volumes in overseas markets, cross currency movements among major currencies, rating changes of countries / corporations and major political changes globally.

The approximate yields to maturity in the US Bond Market are as follows:

| **Maturity** | **US Treasury yields (%) (As at September 30, 2026)** |
|---|---|
| 3 months | 4.20 |
| 6 months | 4.33 |
| 2 years | 4.88 |
| 3 years | 5.00 |
| 5 years | 5.09 |
| 10 years | 5.29 |

Source : H.15, Federal Reserve Statistical Release

| Maturity | US AA<br>Corporate Bond yields rate* (%)<br>(As at September 30, 2026) |
|---|---|
| 1 year | 4.7662 |
| 2 years | 5.0312 |
| 5 years | 5.4772 |
| 10 years | 5.8706 |

(Source - Bloomberg)

* Composite curve includes AA-, AA, AA+ as US AAA curve has been discontinued.

## B. WHAT ARE THE INVESTMENT RESTRICTIONS?

As per the Regulations, the following investment restrictions are currently applicable to the Scheme:

- The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities.

  Provided further that the Mutual Fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI.

  Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

- The mutual fund shall settle their transactions only in dematerialised securities except for such instruments as may be specified by SEBI from time to time.
- The funds of mutual fund scheme shall not in any manner be used in carry forward transactions except derivatives transactions on a recognized stock exchange, subject to the framework specified by SEBI from time to time.

- Save as otherwise expressly provided under SEBI (MF) Regulations, the Mutual Fund shall not advance any loans for any purpose.

- The mutual fund shall not borrow except to meet temporary liquidity needs of the mutual funds for the purpose of repurchase, redemption of units or payment of interest or IDCW to the unitholders.

- Provided that the mutual fund shall not borrow more than 20 per cent of the net asset of the scheme and the duration of such a borrowing shall not exceed a period of six months. However, this limit shall not be applicable for intraday borrowing subject to such conditions as may be specified by SEBI.

- The Mutual Fund shall get the securities purchased or transferred in the name of the Mutual Fund on account of the Scheme except in respect of such securities as may be specified by SEBI from time to time.

- The Scheme shall not invest more than 10% of its NAV comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act subject to the below limits at rating level.

  The scheme shall not invest more than:
  a. 10% of its NAV in debt and money market securities rated AAA; or

  b. 8% of its NAV in debt and money market securities rated AA; or

  c. 6% of its NAV in debt and money market securities rated A and below issued by a single issuer.

  The above investment limits may be extended by up to 2% of the NAV of the Scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to overall limit of 12% of the NAV of the Scheme for a single issuer.

  Provided that:

  a) such limit shall also be applicable to mortgage backed securitized debt which are rated not below investment grade by a credit rating agency registered with the Board.

  b) such limit shall not be applicable for investments in debt exchange traded funds, Government Securities, treasury bills and Tri-party Repos on Government securities or treasury bills (TREPS).

  c) such limit is not applicable for investment in securitized debt (mortgage backed securities and asset backed securities), at the originator level.

  d) the long term rating of issuers shall be considered for the money market instruments. However, if there is no long term rating available for the same issuer, then based on credit rating mapping of Credit Rating Agencies between short term and long term ratings, the most conservative long term rating shall be taken for a given short term rating. Exposure to government money market instruments such as TREPS on G-Sec/ T-bills shall be treated as exposure to government securities.

- The Scheme shall invest only in such securities which mature on or before the date of the maturity of the Scheme in accordance to clause 13.5 of Master Circular. Accordingly, the Scheme shall not invest in debt with special features as stated in clause 13.5.2 of Master Circular such as subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a pre-specified event for loss absorption (“also referred to as "perpetual debt instruments”).

The Scheme may invest in

a) unlisted Government Securities and money market instruments other than commercial papers; and

b) unlisted non-convertible debentures to the extent and in the manner as specified by SEBI. As per the current norms, the Scheme may invest in unlisted non-convertible debentures up to a maximum of 10% of the debt portfolio of the Scheme, subject to the conditions specified by SEBI from time to time.

The norms for investments by the Scheme in unrated debt instruments shall be as specified by SEBI from time to time.

As per these norms, investments in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. by mutual fund schemes shall not exceed 5% of net assets of the Scheme.

Further, the Scheme shall comply with provisions of clauses 5.4 and 13.1 of Master Circular regarding investment in Debt and Money Market Instruments, as amended from time to time, to the extent applicable to the Scheme.

- The Scheme shall invest in Debt instruments having Structured Obligations/Credit Enhancements in accordance with provisions of clause 13.1.10 of Master Circular as may be amended by SEBI from time to time. The same are currently as under:

  The investment of the Scheme in the following instruments shall not exceed 10% of the debt portfolio of the Scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the Scheme:

  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.

  However, the above Investment limits shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008.

  Investment in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares.

- As per AMFI Best Practices Guidelines Circular No.115/2024-25 as amended from time to time, investment in Partly Paid Debentures, if undertaken, will be subject to a cap on maximum investment of Mutual Fund Scheme at 5% of the AUM of the scheme. However, once the Partly Paid Debentures are fully paid up, the cap on maximum investment of Mutual Fund scheme at 5% of the AUM of the scheme will not apply.

- Transfer of investments from one scheme to another scheme in the same Mutual Fund, shall be allowed only subject to such conditions as specified by SEBI from time to time. These include that in case of Close Ended Schemes, inter scheme purchases would be allowed within 3 business days of allotment pursuant to NFO and thereafter, no inter scheme transfers shall be permitted to/from Close Ended 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.

  The Scheme may invest in another scheme(s) under the same AMC or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same AMC or in schemes under the management of any other asset management shall not exceed 5% of the net asset value of the Mutual Fund.

  Provided that the Scheme shall not invest in any fund of funds scheme.

- The Scheme shall abide by the following guidelines for parking of funds in short term deposits as specified in clause 13.7 of Master Circular.

  1. "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.

  2. Such short-term deposits shall be held in the name of the Scheme.

3. The Scheme(s) shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee.

4. Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.

5. The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.

6. The Scheme shall not park funds in short-term deposit of a bank, which has invested in the Scheme.

   Trustees/AMC shall also take steps to ensure that a bank in which the Scheme has short term deposit does not park in the Scheme until the Scheme has short term deposit with such bank.

7. No investment management and advisory fees will be charged for such investments in the respective Scheme.

The aforesaid limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives market.

- The Scheme shall not make any investments in:

  (a) any unlisted security of an associate or group company of the Sponsor;

  (b) any security issued by way of private placement by an associate or group company of the Sponsor;

  (c) the listed securities of group companies of the Sponsors which is in excess of 25% of the net assets of the Scheme

- In terms of clause 1.7.3 of Master Circular as amended from time to time, NFO proceeds may be deployed in Tri-Party Repos on Government securities or treasury bills (TREPS) before the closure of NFO period. However, no investment management and advisory fees will be charged on funds deployed in TREPS during the NFO period. Further, the appreciation received from investment in TREPS shall be passed on to the investors. In case the minimum subscription amount is not garnered by the scheme during the NFO period, the interest earned upon investment of NFO proceeds in TREPS shall be returned to investors, in proportion of their investments, along with the refund of the subscription amount. Further, as per SEBI Letter to AMFI dated August 13, 2026, the deployment of NFO proceeds after the NFO closure period and prior to allotment of units may be allowed to be invested in triparty repo on Government securities or Treasury Bills, in line with the existing provisions under Clause 1.7.3 of the Master Circular

The Scheme shall deploy the funds received under the New Fund Offer within such time period as may be specified by SEBI from time to time.

The AMC / Trustee may alter these above stated restrictions from time to time to the extent the SEBI (MF) Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective. The AMC/Trustee may from time to time alter these restrictions in conformity with the SEBI (MF) Regulations. Further, apart from the investment restrictions prescribed under SEBI (MF) Regulations, the Fund may follow any internal norms vis-à-vis restricting/ limiting exposure to a particular scrip or sector, etc.

All investment restrictions shall be applicable at the time of making investment.

## C. FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the Scheme, in terms of Clause 1.9 of Master Circular read with Regulation 22(9)(c) of the SEBI (MF) Regulations.

### (i) Type of a Scheme

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

### (ii) Investment objective

- **Main Objective** - Please refer to section **'Investment Objective'** under **Section I, Part I – Highlights/Summary of The Scheme**
- **Investment pattern** - Please refer to section '**How will the Scheme Allocate its Assets?'** under **Section I, Part II, Clause A**

### (iii) Potential Risk Class:

Please refer to PRC matrix disclosed on the cover page. The PRC reflects the maximum risks (i.e., interest rate risk and credit risk) that the Scheme can take. The Scheme would have the flexibility to move downwards on the risk scale. However, any permanent change in the positioning of a Scheme into a cell resulting in a risk (in terms of credit risk or duration risk) which is higher than the maximum risk specified for the chosen PRC cell, shall be considered as a fundamental attribute change of the Scheme in terms of Regulation 22(9) (c) of SEBI (Mutual Fund) Regulations, 2026.

The Mutual Fund shall inform the unitholders about subsequent changes, if any, in the PRC through SMS and by providing a link on the website referring to the said change.

However, the PRC value of a Scheme could change temporarily due to price movements, rating changes, investment actions, etc. Any such temporary change in the PRC cell of a scheme to a higher risk scale for either credit risk or duration risk beyond the maximum risk specified for the chosen PRC cell shall be subject to rebalancing in terms of provisions specified in the SID.

### (iv) Terms of Issue

a) **Liquidity provisions such as listing, repurchase, redemption**. For further details, please refer to section "**Other Scheme Specific Disclosures**" under **Section II, Part II, Clause E** ,

b) **Aggregate Fees and expenses charged to the Scheme**. For further details, please refer to section "**Annual Scheme Recurring Expenses**" under **Section I, Part III, Clause C**

c) **Any safety net or guarantee provided**. This Scheme does not provide any guaranteed or assured return.

**Changes in Fundamental Attributes:**

In accordance with Regulation 22 (9) (c) of the SEBI (MF) Regulations, read with clause 1.9.2 of Master Circular, the AMC shall ensure that no change in the fundamental attributes of the Scheme and the Plan(s)/Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme and the Plan(s)/ Option(s) thereunder affect the interest of Unit holders is carried out by the AMC unless:

- SEBI has reviewed and provided its comments on the proposal;
- A written communication (including digital modes such as email/sms etc.) about the proposed change is sent to each unit holder;
- A notice shall be given in respect of such changes which shall be displayed on the website of the AMC i.e. www.hdfcfund.com; and
- The Unit holders are given an option for a period of atleast 30 calendar days to exit at the prevailing Net Asset Value without any exit Load.

**D. FLOORS AND CEILING WITHIN A RANGE OF 5% OF THE INTENDED ALLOCATION AGAINST EACH SUB CLASS OF ASSET**

The Scheme will invest in securities with floors and ceiling within a range of 5% of the intended allocation against each sub class of asset as indicated below in accordance with clause 14.5 of Master Circular:

**(% of Net Assets)**

| **Instruments** | **Credit Rating** | | | | | |
|---|---|---|---|---|---|---|
| | **AAA** | **A1** | **AA** | **A** | **BBB** | **Not Applicable** |
| Debt & Money Market Instruments | | | | | | |
| Commercial Papers (CPs) | | 0-5 | | | | |
| Usance Bills | | | | | | |
| Non-Convertible Debentures (NCDs)* | 70-75 | | | | | |
| Government Securities**/ Treasury Bills | | | | | | 25-30 |
| TREPS/ Reverse Repos/ Units of Debt or Liquid Mutual Funds Schemes | | | | | | 0-5 |

*Includes CDs issued by All-India Financial Institutions permitted by RBI from time to time.

**As defined in SID

a. The ratings indicated in the above table include "-" and "+". For eg. the AA rating shall also include AA- and AA+. Similarly, securities with Rating A1 shall also include A1+.

Further the Scheme intends to invest in unrated instruments as stated below:

| Instruments | % of Net Assets |
|---|---|
| - | - |

There would be no variation between the intended portfolio allocation and the final portfolio, subject to the following and except as permitted by SEBI from time to time:

i. Securities with rating A and AA shall include A+ and A- & AA+ and AA- respectively.
ii. Positive variation in investment towards higher credit rating in the same instrument shall be allowed.
iii. In case of non-availability of and taking into account the risk-reward analysis of CPs, NCDs (including securitised debt), the Scheme may invest in CDs and CBLO having equivalent or higher ratings.
iv. At the time of building up the portfolio post NFO and towards the maturity of the Scheme, there may be a higher allocation to cash and cash equivalents.
v. Subsequent to the initial portfolio construction, during the tenure of the Scheme, the above allocation may vary due to instances like coupon inflow, the instrument is called or bought back by the issuer, in anticipation of any adverse credit event, etc.
vi. All investment shall be made based on the rating prevalent at the time of investment. However, in case of an instrument having dual ratings, the most conservative publicly available rating would be considered.
vii. The Scheme will undertake investment in unrated instruments as mentioned in the intended allocation pattern table mentioned above under the column "Not Applicable".
viii. Investments in derivatives shall be made as per the limits and restrictions mentioned in the Section titled "HOW WILL THE SCHEME ALLOCATE ITS ASSETS?".
ix. In the event of any deviations from the floor and ceiling of credit ratings specified for any instrument, due to reasons other than those mentioned in points 2(i) to 2 (vi), the same shall be rebalanced within 30 calendar days from the date of the said deviation.

## E. OTHER SCHEME SPECIFIC DISCLOSURES:

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| **Listing and transfer of units** | The Units of the Scheme will be listed on the Capital Market Segment of the National Stock Exchange of India Ltd. (NSE) and / or BSE Ltd. (BSE). The Units of the Scheme cannot be redeemed by the investors directly with the Fund until the Maturity/ Final Redemption date. The Units of the Scheme will be traded and settled on the exchange compulsorily in electronic (dematerialized) form. |

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| | The Units can be purchased/ sold during the trading hours like any other publicly traded stock, until the date of suspension of trading by stock exchange(s) where the Scheme is listed.<br><br>The price of the Units in the market will depend on demand and supply at that point of time. There is no minimum investment, although Units are purchased in round lots of 1.<br><br>Please refer to para 'Settlement of Purchase / Sale of Units of the Scheme on NSE / BSE' and Rolling Settlement' under section "Cut off timing for subscriptions/ redemption/switches" and section "Redemption" for further details.<br><br>The record date for determining the Unit holders whose name(s) appear on the list of beneficial owners as per the Depositories (NSDL/CDSL) records for the purpose of redemption of Units on Maturity / Final Redemption date ("Maturity Record Date") will be one working day prior to the Maturity / Final Redemption date. The stock exchange(s) will suspend trading in Units atleast two working days prior to the Maturity Record Date. No separate notice will be issued by the AMC informing about Maturity Record Date or Suspension of trading by the stock exchange. However, the Fund reserves the right to change the Maturity Record Date by issue of suitable notice.<br><br>The Units of the Schemes in Demat mode are freely transferable subject to applicable law. Units held in Statement of Account (SoA) mode may be transferred subject to prevailing AMFI / SEBI guidelines from time to time.<br><br>If an applicant desires to transfer Units held in physical mode for e.g. in statement of account form, the AMC shall, upon receipt of valid and complete request for transfer together with the relevant documents, register the transfer within 30 days. Provided that the transferor(s) and the transferee(s) will have to comply with the procedure for transfer as may be laid down by the AMC or as required under the prevailing law from time to time including payment of stamp duty for transfer of Units, etc.<br><br>Units held in Demat form are transferable in accordance with the provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as may be amended from time to time.<br><br>For more details, refer SAI. |
| **Dematerialization of units** | The Unit holders would have an option to hold the Units in demat form or account statement (non-demat) form. Units held in Demat Form are freely transferable. The Applicant intending to hold Units in demat form will be |

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| | required to have a beneficiary account with a Depository Participant (DP) of the NSDL/CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units.<br><br>The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically.<br><br>If the Unit holder desires to hold the Units in a Dematerialized / Rematerialized form at a later date, the request for conversion of units held in Account Statement (non demat) form into Demat (electronic) form or vice versa should be submitted alongwith a Demat/Remat Request Form to their Depository Participants. The AMC shall issue units in dematerialized form to a unit holder in a scheme within two working days of the receipt of request from the unit holder.<br><br>However, the Trustee / AMC reserves the right to change the dematerialization / rematerialization process in accordance with the procedural requirements laid down by the Depositories, viz. NSDL/ CDSL and/or in accordance with the provisions laid under the Depositories Act, 1996 and Regulations thereunder. |
| **Minimum Target amount to be raised** | The minimum target amount to be raised during the NFO Period shall be Rs. 20 Crore.<br><br>In case the Mutual Fund fails to collect the minimum subscription amount of Rs. 20 Crore under the Scheme, the Mutual Fund and the AMC shall be liable to refund the subscription amount to the Applicants of the Scheme. |
| **Dividend Policy (IDCW)** | 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.<br><br>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.<br><br>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. |

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| | **IDCW Distribution Procedure**<br>In accordance with clause 12.5 of Master Circular, the procedure for IDCW Distribution would be as under:<br>1. Quantum of IDCW and the record date will be fixed by the Trustee in their meeting. IDCW so decided shall be paid, subject to availability of distributable surplus.<br>2. Within one calendar day of decision by the Trustee, the AMC shall issue notice to the public communicating the decision about the IDCW including the record date, in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the Mutual Fund is situated.<br>3. The Record Date will be 2 working days from the date of publication in at least one English newspaper or in a newspaper published in the language of the region where the Head Office of the mutual fund is situated, whichever is issued earlier. Record date shall be the date which will be considered for the purpose of determining the eligibility of investors whose names appear on the register of Unit holders maintained by the Mutual Fund/ statement of beneficial ownership maintained by the Depositories, as applicable, for receiving IDCW.<br>4. The notice will, in font size 10, bold, categorically state that pursuant to payment of IDCW, the NAV of the Scheme would fall to the extent of payout and statutory levy (if applicable).<br>5. The NAV will be adjusted to the extent of IDCW distribution and statutory levy, if any, at the close of business hours on record date.<br>6. Before the issue of such notice, no communication indicating the probable date of IDCW declaration in any manner whatsoever will be issued by Mutual Fund.<br>The requirement of giving notice shall not be applicable for IDCW Options having frequency upto one month. |
| **Allotment** | All Applicants whose monies towards purchase of Units have been realised by the Fund will receive a full and firm allotment of Units, provided also the applications are complete in all respects and are found to be in order. Any application for subscription of units may be rejected if found invalid, incomplete or due to unavailability of underlying securities, etc.<br><br>For applicants applying through **'APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA)',** on allotment, the amount will be unblocked in their respective bank accounts and account will be debited only to the extent required to pay for allotment of Units applied in the application form. |

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| | Units will be allotted upto 3 decimals. Face Value per unit of all Plans/ Options under the Scheme is Rs. 10.<br><br>Applicants under the Scheme will have an option to hold the Units either in physical form (i.e. account statement) or in dematerialized form. Accordingly, the AMC shall allot units either in physical form (i.e. account statement) or in dematerialized form within 5 working days from the date of closure of the NFO period.<br><br>All Units will rank pari passu, among Units within the same Option in the Scheme concerned as to assets, earnings and the receipt of Distributions, if any, as may be declared by the Trustee.<br><br>Note: Allotment of units will be done after deduction of applicable stamp duty.<br><br>Note: For the purpose of allotment of units / refund of monies under NFO the term "working days" shall include Business Days but shall not include Holidays. |
| **Refund** | In case the Scheme fails to collect the minimum subscription amount of Rs. 20 Crore, the Mutual Fund and the AMC shall be liable to refund the subscription amount to the Applicants of the Scheme.<br>Refunds of subscription money, if any, shall be completed within 5 working days from the closure of the New Fund Offer Period. Interest for any delay on subscription amount will be payable at the rate of 15% per annum for the period in excess of 5 working days and will be charged to the AMC.<br>Refund payments may be made through electronic modes such as RTGS, NEFT, IMPS, direct credit, etc. as permitted by RBI from time to time or in any other manner specified by SEBI from time to time. Payment will be made favouring the Sole / First Applicant.<br>Note: For the purpose of allotment of units / refund of monies under NFO the term "working days" shall include Business Days but shall not include Holidays. |
| **Who can invest**<br><br>This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile. | The following persons (i.e. an indicative list of persons) are eligible and may apply for subscription to the Units of the Scheme provided they are not prohibited by any law/Constitutive documents governing them:<br>1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis;<br>2. Karta of Hindu Undivided Family (HUF);<br>3. Minor (as the first and the sole holder only) through a natural guardian (i.e. father or mother, as the case may be) or a court appointed legal guardian. There shall not be any joint holding in a minor's folio. Payment |

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| | for investment shall be accepted from the bank account of the minor, parent or legal guardian of the minor or from a joint account of the minor with the parent or legal guardian.<br>4. Partnership Firms & Limited Liability Partnerships (LLPs);<br>5. Companies, Bodies Corporate, Public Sector Undertakings, Association of Persons or bodies of individuals and societies registered under the Societies Registration Act, 1860, Co-Operative Societies registered under the Co-Operative Societies Act, 1912, One Person Company;<br>6. Banks & Financial Institutions;<br>7. Mutual Funds/Alternative Investment Funds registered with SEBI;<br>8. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private trusts authorised to invest in mutual fund schemes under their trust deeds;<br>9. Non-resident Indians (NRIs)/Persons of Indian Origin residing abroad (PIO)/Overseas Citizen of India (OCI) on repatriation basis or on non-repatriation basis;<br>10. Foreign Portfolio Investors (FPI) registered with SEBI in accordance with applicable laws;<br>11. Army, Air Force, Navy and other paramilitary units and bodies created by such institutions;<br>12. Council of Scientific and Industrial Research, India;<br>13. Multilateral Financial Institutions/Bilateral Development Corporation Agencies/Bodies Corporate incorporated outside India with the permission of Government of India/Reserve Bank of India;<br>14. Other Schemes of HDFC Mutual Fund subject to the conditions and limits prescribed by SEBI (MF) Regulations;<br>15. Trustee, AMC, Sponsor and their associates may subscribe to Units under the Scheme;<br>16. Such other category of investors as may be decided by the AMC/Trustee from time to time provided their investment is in conformity with the applicable laws and SEBI (MF) Regulations.<br>**Note:**<br>1. Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) residing abroad/Overseas Citizens of India (OCI)/Foreign Portfolio Investors |

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| | (FPIs) have been granted a general permission by Reserve Bank of India under Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 for investing in/redeeming units of the mutual funds subject to conditions set out in the aforesaid regulations.<br>2. In case of application(s) made by Individual Investors under a Power of Attorney, the original Power of Attorney or a duly notarized copy should be submitted. In case of applications made by Non-Individual Investors, the authorized signatories/officials of such Non-Individual investors should sign the application under their official designation and as per the authority granted to them under their Constitutive Documents/Board resolutions, etc. A list of specimen signatures of the authorized officials, duly certified/attested should also be attached to the Application Form. The Fund/AMC/Trustees shall deem that the investments made by the Investors are not prohibited by any law/Constitutive documents governing them and they possess the necessary authority to invest/transact.<br>3. Investors desiring to invest/transact in mutual fund schemes are required to mandatorily furnish PAN (PAN of the guardian in case minor does not have a PAN) and comply with the KYC norms applicable from time to time. Under the KYC norms, Investors are required to provide prescribed documents for establishing their identity and address including in case of non-individuals copy of the Memorandum and Articles of Association/bye-laws/trust deed/partnership deed/Certificate of Registration along with the proof of authorization to invest, as applicable, to the KYC Registration Agency (KRA) registered with SEBI. The Fund/AMC/Trustees/other intermediaries will rely on the declarations/affirmations provided by the Investor(s) in the Application/Transaction Form(s) and the documents furnished to the KRA that the Investor(s) is permitted/authorised by the Constitution document/their Board of Directors etc. to make the investment/transact. Further, the Investor shall be liable to indemnify the Fund/AMC/Trustee/other intermediaries in case of any dispute regarding the eligibility, validity and authorization of the transactions and/or the applicant who has applied on behalf of the Investors. The Fund/AMC/Trustee reserves the right to call for such other information and documents as may be required by it in connection with the investments made by the investor. Where the Units are held by a Unit holder in breach of any Regulations, AMC/the Fund may effect compulsory redemption of such units. |

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| | 4. Returned cheques may not to be presented again for collection, and the accompanying application forms are liable to be rejected by the AMC. In case the returned cheques are presented again, the necessary charges are liable to be debited to the investor.<br>5. The Trustee reserves the right to recover from an investor any loss caused to the Scheme on account of dishonour of cheques issued by the investor for purchase of Units of this Scheme.<br>6. Subject to the SEBI (MF) Regulations, the Trustee may inter-alia reject any application if the application is invalid or incomplete or non-permissible under law or if the AMC/Trustee for any other reason does not believe that it would be in the best interest of the Scheme or its Unitholders to accept such an application. |
| **Who cannot invest** | The persons/entities as specified under section **"Who Can Invest?"** shall not be eligible to invest in the Scheme, if such persons/entities are:<br>1. United States Person (U.S. person*) as defined under the extant laws of the United States of America, except the following:<br>a. NRIs/PIOs may invest/transact, in the Scheme, when present in India, as lump sum subscription, redemption and/or switch transaction, including registration of systematic transactions only through physical form and upon submission of such additional documents/undertakings, etc., as may be stipulated by AMC/Trustee from time to time and subject to compliance with all applicable laws and regulations prior to investing in the Scheme.<br>b. FPIs may invest in the Scheme as lump sum subscription and/or switch transaction (other than systematic transactions) through submission of physical form in India, subject to compliance with all applicable laws and regulations and the terms, conditions, and documentation requirements stipulated by the AMC/Trustee from time to time, prior to investing in the Scheme.<br>The Trustee/AMC reserves the right to put the transaction requests received from such U.S. person on hold/reject the transaction request/redeem the units, if allotted, as the case may be, as and when identified by the AMC that the same is not in compliance with the applicable laws and/or the terms and conditions stipulated by Trustee/AMC from time to time. Such redemptions will be subject to applicable taxes and exit load, if any. |

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| | The physical application form(s) for transactions (in non-demat mode) from such U.S. person will be accepted ONLY at the Investor Service Centres (ISCs) of HDFC Asset Management Company Limited (HDFC AMC). Additionally, such transactions in physical application form(s) will also be accepted through Distributors and other platforms subject to receipt of such additional documents/undertakings, etc., as may be stipulated by AMC/Trustee from time to time from the Distributors/Investors.<br>2. Residents of Canada;<br>3. Investor residing in any Financial Action Task Force (FATF) designated High Risk jurisdiction.<br>*The term "U.S. person" means any person that is a U.S. person within the meaning of Regulations under the Securities Act of 1933 of U.S. or as defined by the U.S. Commodity Futures Trading Commission or as per such further amended definitions, interpretations, legislations, rules etc, as may be in force from time to time. |
| **How to Apply and other details** | The Applications Forms are available at Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of Mutual Fund and/or may be downloaded from the website of AMC.<br>The application forms should be submitted at ISCs /OPAs. OPAs include various Distributors, Registered Investment Advisers (RIAs), Portfolio Managers, Execution only Platforms (EOPs), Stock Exchange Platforms and other transaction platforms with whom AMC has entered into tie up to accept transactions from their customers.<br>Investors may apply through the ASBA process during the NFO period of the Scheme by filling in the ASBA form and submitting the same to their respective banks, which in turn will block the amount in the account as per the authority contained in ASBA form and undertake other tasks as per the procedure specified therein. For complete details on ASBA process refer Statement of Additional Information (SAI) made available on our website www.hdfcfund.com.<br>Refer back cover page for contact details of Registrar and Transfer Agent (CAMS), brief details various official points of acceptance, collecting bankers during NFO (if any), etc.<br>The list of the ISCs/ OPAs, of the Mutual Fund is provided on the website of the AMC. i.e. www.hdfcfund.com. |

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| | For further details, please refer to the SAI and Application form available on the website for the instructions.<br><br>It is mandatory for investors to mention bank account numbers in their applications/requests for redemption. |
| **The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.** | Not Applicable |
| **Restrictions, if any, on the right to freely retain or dispose of units being offered.** | Units of the Scheme cannot be redeemed or switched-out by the investors until the date of Maturity/ Final Redemption.<br><br>The Units held in demat mode can be purchased/sold during trading hours like any other publicly traded security, until the date of suspension of trading by stock exchange(s) where the Scheme is listed**.**<br><br>**SUSPENSION OF TRADING IN UNITS**<br><br>The indicative list of circumstances under which trading of units may temporarily be suspended on the stock exchange(s) on which the Units of the Scheme are listed, is as follows:<br><br>1. During the period of Book Closure.<br><br>2. In the event of any unforeseen situation that affects the normal functioning of the stock exchange(s).<br><br>3. If so directed by SEBI. |
| **Cut off timing for subscriptions/ redemptions/ switches**<br>This is the time before which your application (complete in all respects) should reach the official points of acceptance. | **For Purchases including switch-ins**<br><br>The Units of the Scheme will not be available for subscriptions / switch- in after the closure of NFO Period.<br><br>**For Redemptions including switch-outs**<br><br>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.<br><br>Units of the Scheme will be compulsorily redeemed on the Maturity / Final Redemption date, except requests for switch-out received by the Fund.<br><br>**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**

| | |
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| 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. |

<table>
<tr><td></td><td>
<table>
<tr><td>T + 1</td><td>Pay-in of funds and securities by 10:50 am for Funds & 10:30 am for Securities</td></tr>
<tr><td>T + 1</td><td>Pay out of funds and securities by 3 pm / as and when received from exchange</td></tr>
</table>
<br>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.<br><br>The AMC has the right to amend cut off timings subject to SEBI (MF) Regulations for the smooth and efficient functioning of the Scheme.<br><br>Transactions through online facilities / electronic modes:<br><br>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.<br><br>The AMC has the right to amend cut off timings subject to SEBI (MF) Regulations for the smooth and efficient functioning of the Scheme.</td></tr>
<tr><td>Minimum amount for purchase/redemption/switches</td><td>Minimum amount for Purchase/Redemption (including Switch-in/out):<br><br>For details refer section 'Highlights / Summary of the Scheme'.</td></tr>
<tr><td>Accounts Statements</td><td>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days from the closure of the NFO period to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).<br><br>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.<br><br>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.<br><br>For further details, refer SAI.</td></tr>
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| **Dividend/ IDCW** | The payment of dividend/IDCW to the unitholders shall be made within 7 working days from the record date or as per timelines prescribed by SEBI/AMFI.<br><br>**Procedure for Donation**<br><br>After disbursal of IDCW, HDFC AMC will advise the amounts to be deducted (this amount will be calculated before deduction of TDS) from each Unit holder, to ICS based on the donation option selected by the Unit holder i.e 50% IDCW Donation Option or 75% IDCW Donation Option. Accordingly, ICS will initiate debits of the necessary Donation amount from Unit holders' bank account under the one-time mandate (OTM) provided by the investor in favour of ICS.<br><br>The Unit holder will also receive a Donation receipt and deduction certificate (under old regime) from Indian Cancer Society stating the amount of IDCW donated.<br><br>*Note: The procedure for IDCW donation may change in accordance with SEBI/AMFI circulars/guidelines issued from time to time.* |
| **Redemption** | Units of the Scheme cannot be directly redeemed with the Fund during the tenure of the Scheme. The Units of the Scheme will compulsorily and without any further act by the Unit holder(s) be redeemed on the Maturity / Final Redemption Date at the Applicable NAV (unless the Scheme is converted into open ended / merged with another scheme or rolled over in accordance with applicable provisions of the Regulations). No Exit Load will be levied on the Maturity / Final Redemption date.<br><br>The redemption / maturity proceeds shall be dispatched to the unitholders within 3 working days from the Maturity Date or such other timelines as may be specified by SEBI / AMFI from time to time in case of exceptional circumstances or otherwise. For details refer para 15.3.3 of Master Circular. |
| **Bank Mandate** | **BANK DETAILS**<br><br>In order to protect the interest of Unit holders from fraudulent encashment of redemption / IDCW cheques, SEBI has made it mandatory for investors to provide their bank details viz. name of bank, branch, address, account type and number, etc. to the Mutual Fund. Payment will be made only in the Bank Account registered with the Mutual Fund. In case of units held in demat mode, payment will be made to the bank account linked to the demat account. The bank account registered in the folio of a minor should be that of the minor or should be a joint account of the minor with the guardian. Applications without complete bank details shall be rejected. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques/ warrants and/ or any delay/ loss in transit. |

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| | • **Multiple Bank Accounts Registration**<br>The AMC/ Mutual Fund provides a facility to the investors to register multiple bank accounts (currently upto 5 for Individuals and 10 for Non - Individuals) for receiving redemption/ IDCW proceeds etc. by providing necessary documents. Investors must specify any one account as the "Default Bank Account".<br>• **Change in Bank Account**<br>For investors holding units in demat mode, the procedure for change in bank details would be as determined by the depository participant.<br>For investors holding units in non-demat mode, the Unit holders may change their bank details registered with the Mutual Fund by submitting 'Multiple Bank Account Registration Form' or a standalone separate Change of Bank Details Form. |
| **Delay in payment of redemption /repurchase proceeds/dividend** | The AMC shall be liable to pay interest to the Unit holders at 15% or such other rate as may be prescribed by SEBI from time to time, in case the redemption/ repurchase/ IDCW proceeds are not transferred within the prescribed timeline. However, the AMC will not be liable to pay any interest or compensation or any amount otherwise, in case the AMC / Trustee is required to obtain from the investor / unit holders verification of identity or such other details relating to subscription for Units under any applicable law or as may be required by a regulatory body or any government authority, which results in delay in processing the application. |
| **Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount** | The unclaimed Redemption and IDCW amounts (the funds) are currently deployed by the Mutual Fund only in TREPS. However, the same may be deployed in other permissible instruments such as call money market or money market instruments or in a separate plan specifically launched under Overnight/Liquid/ Money Market Mutual Fund schemes to deploy unclaimed Redemption and IDCW amounts. Investors who claim the unclaimed amounts during a period of three years from the due date shall be paid initial unclaimed amount along-with the income earned on its deployment. Investors, who claim these amounts after 3 years, shall be paid initial unclaimed amount along-with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. The AMC will make a continuous effort to remind the investors through letters to take their unclaimed amounts. The details of such unclaimed redemption/IDCW amounts are made available to investors upon them providing proper credentials, on website of the Mutual Fund and AMFI along with the information on the process of claiming the unclaimed amount and the necessary forms/documents required for the same. |

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| | Further, the information on unclaimed amount along-with its prevailing value (based on income earned on deployment of such unclaimed amount), will be separately disclosed to investors through the periodic statement of accounts/Consolidated Account Statement sent to the investors. Further, the investment management fee charged by the AMC for managing the said unclaimed amounts shall not exceed 50 basis points. |
| **Disclosure with respect to investment by minors** | Investments (including through existing SIP registrations) in the name of minors shall be permitted only from bank account of the minor, parent or legal guardian of the minor or from a joint account of the minor with the parent or legal guardian.<br><br>It is reiterated that the redemption/ Income Distribution cum Capital Withdrawal (IDCW) proceeds for investments held in the name of Minor shall continue to be transferred to the verified bank account of the minor (i.e. of the minor or joint account of minor with parent/ legal guardian) only. Therefore, investors must ensure to update the folios with minor's bank account details as the 'Pay-out Bank account' by providing necessary documents before tendering redemption requests / for receiving IDCW distributions.<br><br>**MINOR ATTAINING MAJOR STATUS**<br>The Mutual Fund/AMC will register SIP/STP/SWAP/or any other systematic enrollment in the folio held by a minor only till the date of the minor attaining majority, even though the instructions may be for a period beyond that date. Such enrollments will automatically stand terminated upon the Unit Holder attaining 18 years of age.<br>For folios where the units are held on behalf of the minor, the account shall be frozen for operation by the guardian on the day the minor attains majority and no transactions shall be permitted till the requisite documents for changing the status of the account from 'minor' to 'major' are submitted. |

## III. OTHER DETAILS

### A. 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 | AMC website<br><br>AMFI website | https://www.hdfcfund.com/statutory-disclosure/scheme-financials<br><br>https://www.amfiindia.com/otherdata/accounts |

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| | | | and on 30th September. | | |
| 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<br><br>AMFI website | https://www.hdfcfund.com/statutory-disclosure/annual-reports<br><br>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 | **Monthly**<br>within 10 days from the close of each month.<br>**Fortnightly -** within 5 days from the end of fortnight | AMC website<br><br>AMFI website | https://www.hdfcfund.com/statutory-disclosure/portfolio<br><br>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<br><br>AMFI website | Monthly Portfolio - HDFC Mutual Fund (hdfcfund.com)<br><br>https://www.amfiindia.com/online-center/risk-o-meter |

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| 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<br><br>AMFI website<br><br>BSE website<br><br>NSE website | https://www.hdfcfund.com/investor-services/fund-documents/scheme-summary<br><br>https://www.amfiindia.com/otherdata/scheme-details<br><br>https://www.bseindia.com/Static/Markets/MutualFunds/listOfAmc.aspx<br><br>https://www.nseindia.com |
| 8. | Investor Charter | - | As and when updated | AMC website | Investor Charter |

## B. TRANSPARENCY/NAV DISCLOSURE

| | |
|---|---|
| **Net Asset Value**<br><br>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance. | The AMC will calculate and disclose the first NAVs of the Scheme not later than 5 Business Days from the date of allotment of units under the NFO. Subsequently, the AMC will calculate and disclose NAVs at the close of every Business Day.<br><br>As required by SEBI, the NAVs shall be disclosed in the following manner:<br>i) Displayed on the website of the Mutual Fund (www.hdfcfund.com)<br>ii) Displayed on the website of Association of Mutual Funds in India (AMFI) (www.amfiindia.com).<br>iii) Any other manner as may be specified by SEBI from time to time.<br><br>AMC shall update the NAVs on the website of the Fund and AMFI by 11.00 p.m. every Business day.<br><br>In case of any delay in uploading on AMFI website, the reasons for such delay would be explained to AMFI and SEBI in writing. If the NAVs are not available before commencement of business hours on the following day due to any reason, Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs. Mutual Fund / AMC will provide facility of sending latest available NAVs to unitholders through SMS, upon receiving a specific request in this regard. |

## C. TRANSACTION CHARGES AND STAMP DUTY

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| **Transaction Charges** | No transaction charges shall be deducted from the subscription amount for transactions /applications received through the distributors (i.e. in Regular Plan). |

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| **Stamp Duty On Allotment/Transfer Of Units** | Mutual fund units issued against Purchase transactions (whether through lump-sum investments or SIP or STP or switch-ins or reinvestment under IDCW Option) would be subject to levy of stamp duty @ 0.005% of the amount invested.<br><br>Transfer of mutual fund units (such as transfers between demat accounts) are subject to payment of stamp duty @ 0.015%.<br><br>Stamp duty is charged pursuant to Notification No. S.O. 4419(E) dated December 10, 2019 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, and subsequent Notification dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India. The rate and levy of stamp duty may vary as amended from time to time.<br><br>For further details, refer SAI. |

**D. ASSOCIATE TRANSACTIONS**

Please refer to Statement of Additional Information (SAI)

**E. ELIGIBILITY FOR CLAIMING DEDUCTION UNDER SECTION 133 OF INCOME TAX ACT, 2025 (ITA 2025) [CORRESPONDING TO SECTION 80G OF THE ERSTWHILE INCOME TAX ACT, 1961 (ITA 1961)]**

There are various Tax Deductions or Tax Exemptions provided under the ITA 2025. The tax deductions help to deduct an amount from the taxable income and thereby help to save tax.

Through such deductions and consequent income tax benefit, the Act encourages many good causes - like buying a house, getting higher education, supporting a disabled dependent, etc.

One good cause that it also encourages is donation to charities or donations made towards the object of the trust for general public utility. This is covered under section 133 of ITA 2025 (80G of ITA 1961).

**Income Tax deduction - Section 133 of ITA 2025**

It is Section 133 of the ITA 2025 that permits to the Donors who donate to the Non-Profit Organisation (NPO) registered under the Act, to avail the benefits of income tax deduction on their Donation. This is one of the incentives provided for the people to Donate for a noble cause.

Accordingly, Indian Cancer Society (ICS) is registered as a non-profit organisation

(i) under the Bombay Public Trusts Act, 1950 (Registration No. F-402(Bom); and

(ii) under Section 12A vide Registration No. AAATI0001K25MB01 and

(iii) under Section 80G vide Approval No. AAATI0001K25MB02 issued by Principal Commissioner of Income Tax dated Mar 28, 2026 for the period April 1, 2026 to March 31, 2031 (AY2027-28 to AY2031-32). The funds donated to the Indian Cancer Society - Cancer Cure Fund is utilized for the advancement of charitable purpose i.e. medical treatment to underprivileged cancer patients which is one of its main

objective.

In view of this, fifty percent of donations made to ICS under Cancer Cure Fund will be entitled to be deducted from the taxable income of the Donor (subject to fulfillment of certain conditions).

ICS confirms that it does not carry any activity in the nature of trade, commerce or business or any activity of rendering any service in relation to trade, commerce or business.

Financial aid for cancer treatment and care is the most critical need of the underprivileged section of the society, which ICS aims to fulfill in a substantial way by associating with HDFCMutual Fund. 'HDFC Charity Fund for Cancer Cure' will be the enabling vehicle for this purpose. Donation of part of the IDCW income made by the Investors (i.e., Donor) of 'HDFC Charity Fund for Cancer Cure' to ICS-Cancer Cure Fund would then be utilized by ICS for the following societal purposes:

- Fund the treatment costs of needy and under-privileged cancer patients
- Meet direct expenses of carrying out the above activities

Income tax benefits u/s 133 on the donations out of the distribution shall be an added incentive for investors to donate for such a noble cause. The donation will make a difference in the community and help ICS in its fight against cancer.

Section 133 deduction is available to any tax payer (may be individual, company, firm or anyother taxable entity) making donation to ICS-Cancer Cure Fund (under old tax regime). No deduction under this section is allowable in case the amount of donation exceeds Rs. 2000 unless the donation is paid by any mode other than cash.

As per section 354(1) r.w.s. 133 of the ITA 2025 a registered non-profit organisation has to furnish a statement of donation as prescribed in Form 113 (erstwhile Form 10BD). Further, such NPO is also required to furnish donation certificate to all Donor from whom it has received donation during particular financial year in Form 114 (erstwhile Form 10BE) which would be generated once the Form 113 is processed. Accordingly, Form 114 shall be issued to the Donors.

**Methodology:**

For computing the taxable income of the tax payer and for arriving at the deductible amount under section 133, first the aggregate of certain specified sums donated to various organizations eligible under section 133 [including the donation made out of the distribution income from the investments made in the HDFC Charity Fund for Cancer Cure (2023)] have to be computed. Thereafter the gross total income as reduced by certain other permissible deductions would be determined (i.e. the adjusted gross total income). If the aggregate donations are more than 10 per cent of the adjusted gross total income, the excess over 10% will have to be ignored. Thereafter, 50 per cent of the resultant figure will be allowed to be deducted from the gross total income for arriving at the taxable income.

The above methodology is explained below for easy understanding of the calculation of the deduction available under Section 133 of the Act for the donation made to the ICS-Cancer Cure Fund.

**Example:**

Let 's say-

- You have a gross total income of Rs.15 Lakhs in a particular year. You aim to fully utilize Section 123 benefits, and have therefore invested Rs.1.50 Lakh towards it.
- In addition, you also make a donation of Rs.1.5 Lakhs (it is paid by any mode other than cash) to the ICS-Cancer Cure Fund out of the distribution income from your investment in HDFC Charity Fund for Cancer Cure. There are no other donations.

| | | |
|---|---|---|
| (i) | Gross Total Income (GTI) | Rs. 15,00,000 |
| (ii) | Deduction u/s 123 of ITA 2025 | Rs. 1,50,000 |
| (iii) | Adjusted GTI [(i)-(ii)] | Rs. 13,50,000 |
| (iv) | Donation made to the Indian Cancer Society (ICS) - CCF | Rs.1,50,000 |
| (v) | 10% of Adjusted GTI | Rs. 1,35,000 |
| (vi) | Lower of (iv) and (v) | Rs. 1,35,000 |
| (vii) | Amount of deduction available u/s 133 [50% of (vi)] | Rs. 67,500 |

Assuming, that maximum marginal tax rate of 30% (plus applicable surcharge and cess) is applicable, you would save 30% (plus applicable surcharge and cess) of Rs.67,500/- i.e. Rs.20,250/- of income tax.

ICS will issue the donation receipt (containing PAN) to the Unit Holder enabling them to claim the deduction for Income Tax purposes.

Please note that the donation will be made out of the distribution income from the investment made by the investor in the HDFC Charity Fund for Cancer Cure. For this purpose, once the Investor opts for 50% IDCW Donation Option or 75% IDCW Donation Option, the same cannot be changed/ modified thereafter by the Investor and the amount once deducted by ICS for donation to the ICS -Cancer Cure Fund upon such authorization will not be refunded to the Investor.

The Donors are most welcome to re-assure themselves that their donations have been used for the purpose they have specified. All the donations made under the Scheme will be credited to a separate bank account of ICS dedicated to cancer treatment. An audited statement of donations received and disbursed from this account will be prepared at the end of each financial year and will be made available to the Donors on request.

**For any clarifications or queries on the above, the Donors may contact Mrs. Ann Rawat Deputy Director General – Operations Email: ann.rawat@indiancancersociety.org or Mrs. Sachita Chawhan - Director Cancer Cure Fund Email: sachita@indiancancersociety.org on Phone: 022 - 24151370 / 24121682 / 24139445; or write to Indian Cancer Society, 74, Jerbai Wadia Road, Parel, Mumbai 400012.**

Note: The above note on eligibility for claiming deduction under Section 133 of ITA 2025 (under old tax regime) is based on the existing provisions of the Act and its interpretation, which are subject to change

from time to time. HDFC AMC / HDFC Mutual Fund do not assume responsibility to update the note consequent to such changes and moreover considering the individual nature of tax implications, each investor is advised to consult his or her own advisors / tax consultants with respect to the eligibility of making donation to Indian Cancer Society-Cancer Cure Fund providing for treatment of cancer and availing tax deductions u/s 133 of ITA 2025 including other implications arising out of his or her participation in the Scheme.

## F. TAXATION

For details on taxation please refer to the clause on Taxation in the SAI apart from the following:

**Other than Equity Oriented Funds**

Tax implications on distributed income by Mutual Funds^^:

| **Particulars** | **Resident Investors** | **Non-Resident Investors** | **Mutual Fund*** |
|---|---|---|---|
| **Dividend: (all types of 'other than equity oriented funds')** | | | |
| TDS rate | 10% (if dividend income exceeds INR 10,000 in a financial year) | 20% + applicable Surcharge + Cess | Nil |
| Tax rate | **Individual / HUF:** Applicable Slab rates[1] **Domestic Company**[1]: 30% / 25%[2] / 22%[2] / 15%[2] | 20%[1] | Nil |
| **Capital Gains[1]: (a) Other than Equity Oriented Funds excluding specified mutual funds:** | | | |
| Long Term Capital Gains (period of holding more than 12 months for listed units and more than 24 months for unlisted units) | 12.5%[2] without indexation | 12.5%[2] without indexation and without foreign currency fluctuation benefits | Nil |
| Short Term Capital Gains (period of holding less than or equal to 12 months for listed units and less than or equal to 24 months for unlisted units) | **Individual / HUF:** Applicable Slab rates[1] **Domestic Company**: 30% / 25%[2] / 22%[2] / 15%[2] | **Non-resident (other than Foreign Company):** Applicable Slab rates[1] **Foreign Company**: 35% | Nil |
| (**b) Specified Mutual Funds[$]:** Deemed Short Term irrespective of holding period. The capital gains will be taxed at applicable slab rates[1]. | | | |

**Notes:**

*The levy of tax on distributed income payable by Mutual Funds has been abolished w.e.f. April 1, 2020, and instead tax on income from mutual fund units in the hands of the unit holders at their applicable slab rates has been adopted.

[1]Tax rate to be increased by applicable surcharge and health and education cess at 4% on aggregate of base tax and surcharge.

[2]Subject to conditions as per the provisions of the Income-tax Act, 2025 (erstwhile Income-tax Act, 1961).

[$]Deemed Short Term Capital Gains - Capital gains from transfer of units of "Specified Mutual Fund Schemes" acquired on or after 1st April 2023 are treated as deemed short term capital gains taxable at applicable slab rates as provided above irrespective of the period of holding of such mutual fund units.

For this purpose, specified mutual fund means:
(a) Mutual fund which invests more than 65 per cent of its total proceeds in debt and money market instruments; or
(b) a fund which invests 65 per cent or more of its total proceeds in units of a fund referred to in above sub-clause (a).
Provided that the percentage of investment in debt and money market instruments or in units of a fund, as the case may be, in respect of the Specified Mutual Fund, shall be computed with reference to the annual average of the daily closing figures.

Provided further that for the purposes of this clause, "debt and money market instruments" shall include any securities, by whatever name called, classified or regulated as debt and money market instruments by the Securities and Exchange Board of India.

**^^ The information set out is neither a complete disclosure of every material fact of the Income-tax Act, 2025 (erstwhile Income-tax Act, 1961) nor does it constitute tax or legal advice. Investors should be aware that the fiscal rules/ tax laws may change and there can be no guarantee that the current tax position may continue indefinitely. The information/ data herein alone is not sufficient and shouldn't be used or should not be construed as any advice. In view of the individual nature of tax implications, investors should make his/her/their own investigation and/or are advised to consult their professional tax advisor. For further details on taxation, please refer to the Section on Taxation on investing in Mutual Funds in Statement of Additional Information {SAI}.**

## G. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

## H. LIST OF OFFICIAL POINTS OF ACCEPTANCE:

AMC/ RTA offices - https://www.hdfcfund.com/contact-us/visit-us

Other OPAs - https://www.hdfcfund.com/statutory-disclosure/offer-document-disclosures

## I. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

Visit: https://www.hdfcfund.com/statutory-disclosure/offer-document-disclosures

**Notes:**

1. Any amendments / replacement / re-enactment of SEBI (MF) Regulations subsequent to the date of the Scheme Information Document shall prevail over those specified in this Scheme Information Document.
2. The Scheme under this Scheme Information Document was approved by the Trustee vide its resolution dated May 21, 2026.
3. The Scheme Information Document is an updated version of the same in line with the current laws/ regulations and other developments.
4. **Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and circulars and the guidelines there under shall be applicable.**

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| | For and on behalf of the Board of Directors of<br>**HDFC Asset Management Company Limited** |
| Place: Mumbai<br>Date: October 22, 2026 | **NAVNEET MUNOT**<br>Managing Director and<br>Chief Executive Officer |

**DETAILS OF OFFICIAL POINTS OF ACCEPTANCE (OPA) FOR HDFC MUTUAL FUND SELF CERTIFIED SYNDICATE BANKS (SCSBS) FOR ASBA APPLICATIONS (DURING NFO PERIOD)**

Investor may approach any of the below banks for submitting their ASBA Application forms during this NFO.

Ahmedabad Mercantile Co-Op Bank Ltd, AU Small Finance Bank Limited, Axis Bank, Bandhan Bank, Bank of Baroda, Bank of India, Bank of Maharashtra, Barclays Plc., BNP Paribas, Canara Bank, Catholic Syrian Bank Limited, Central Bank of India, CITI Bank NA, City Union Bank Ltd., DBS Bank Ltd., DCB Bank Ltd., Deutsche Bank, Dhanlaxmi Bank Limited, Equitas Small Finance Bank, GP Parsik Sahakari Bank Limited, HDFC Bank Ltd., HSBC Ltd., ICICI Bank Ltd., IDBI Bank Ltd., IDFC First Bank, Indian Bank, Indian Overseas Bank Ltd., Indusind Bank Ltd., J. P. Morgan Chase Bank NA., Jammu and Kashmir bank, Bank, Janata Sahakari Bank Ltd, Karnataka Bank, Karur Vasya Bank Ltd., Kotak Mahindra Bank Ltd., Mehsana Urban Co-operative Bank Limited, Nutan Nagarik Sahakari Bank Ltd, Punjab & Sind Bank, Punjab National Bank, Rajkot Nagarik Sahakari Bank Ltd, RBL Bank Limited, South Indian Bank, Standard Chartered Bank, State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of India, State Bank of Mysore, State Bank of Patiala, State Bank of Travancore, SVC Co-operative Bank Ltd., Syndicate Bank, Tamilnadu Mercantile Bank Ltd., The Ahmedabad Mercantile Co- Op. Bank Ltd, The Federal Bank, The Jammu & Kashmir Bank Limited, The Kalupur Commercial Co-operative Bank Ltd., The Lakshmi Vilas Bank Ltd., The Saraswat Co-operative Bank Ltd., The Surat Peoples Co-op Bank, TJSB Sahakari Bank Ltd, UCO Bank, Union Bank of India, YES Bank Ltd.

The above list is subject to change from time to time. For the updated list of Self Certified Syndicate Banks (SCSBs) and their Designated Branches (DBs) and their details, please refer to the website of SEBI, BSE, NSE.

**FOR TRANSACTIONS THROUGH THE STOCK EXCHANGE(S) INFRASTRUCTURE**

Units of the scheme shall be available for purchase / redemption / switch through stock exchange platform(s) as may be made available from time to time by NSE and/or BSE or any other recognized stock exchange. Accordingly, investors may approach their stock brokers / registered investment advisers / mutual fund distributors /Depository Participant, etc. for their transactions through the applicable platforms. The eligible AMFI certified stock exchange Brokers/ Clearing Members/ Depository Participants# who have complied with the conditions stipulated in clause 17.2.2 of Master Circular for stock brokers viz. AMFI/ NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund or the stock exchange platform (for transactions from RIAs, MFDs who are not stock brokers and Investors directly accessing stock exchange platform) will be eligible to be considered as Official Points of Acceptance (OPA).

# For Processing only Redemption Request of Units Held in Demat Form.

**FOR TRANSACTIONS THROUGH MF UTILITIES INDIA PRIVATE LIMITED ('MFU')**

Both financial and non-financial transactions pertaining to scheme(s) of HDFC Mutual Fund can be done through MFU at the authorized Points of Service ("POS") of MFU. The details of POS published on MFU website at www.mfuindia.com will be considered as Official Point of Acceptance (OPA) for transactions in the Scheme.

**FOR TRANSACTIONS THROUGH MF CENTRAL**

Kfin Technologies Private Limited ("KFintech") and Computer Age Management Services Limited ("CAMS") have jointly developed MFCentral - A digital platform for transactions/ service requests by Mutual Fund investors. Accordingly, MF Central will be considered as an Official Point of Acceptance (OPA) for transactions in the Scheme.

**TRANSACTIONS THROUGH "CHANNEL PARTNERS"**

Investors may enter into an agreement with certain distributors/ Registered Investment Advisers (RIAs) / Portfolio Managers / Execution Only Platforms (EOPs) (with whom AMC also has a tie up) singly and collectively referred to as "Channel Partners" who provide the facility to investors to transact in units of mutual funds through various modes such as their website / other electronic means or through Power of Attorney/agreement/ any such arrangement in favour of the Channel Partners, as the case may be.

Under such arrangement, the Channel Partners will forward the details of transactions (viz. subscriptions/redemptions/switches) of investors electronically to the AMC / RTA for processing on daily basis as per the cut-off timings applicable to the relevant schemes and in accordance with applicable SEBI / AMFI circulars issued from time to time.

**FOR TRANSACTIONS IN ELECTRONIC FORM**

Eligible investors can undertake any transaction, including purchase / redemption / switch and avail of any services as may be provided by HDFC Asset Management Company Limited (AMC) from time to time through the online/electronic modes (including email) via various sources like its official website - www.hdfcfund.com, mobile handsets, designated email-id(s), etc. Additionally, this will also cover transactions submitted in electronic mode by specified banks, financial institutions, distributors viz. Channel Partners, etc. on behalf of investors, with whom AMC has entered or may enter into specific arrangements or directly by investors through secured internet sites operated by CAMS or other electronic platforms. The servers including email servers (maintained at various locations) of AMC and CAMS or any other service provider/transaction platform with whom the AMC has tied up for this purpose will be the official point of acceptance for all such online / electronic transactions. For the purpose of determining the applicability of NAV, the time when the request for purchase / sale / switch of units is received in the servers of AMC/ RTA or such other service provider/ transaction platform, shall be considered.

**TRANSACTIONS ON CALL**

Transact On call ("**the Facility**") enables Investors to undertake Eligible Transaction(s) on phone / Interactive Voice Response (IVR) as may decided from time to time by the Fund, through its Authorized Call Centre(s), in relation to the Eligible Scheme(s) of the Fund. Accordingly, the Authorized Call Centre(s) of the Fund shall act as Official Point(s) of Acceptance of transactions under the Facility.
The detailed Terms and Conditions which govern the use of the Facility from time to time shall be made available on the website of the Fund viz. www.hdfcfund.com. The Investors should carefully read the Terms and conditions before placing / confirming any transaction requests on phone.

**TRANSACTIONS AT AMC AND RTA OFFICES**

Offices of AMC (excluding Business Centres) and RTA i.e. Investor Service Centres (ISCs) and CAMS Transaction Points (TPs) and Limited Transaction Points (LTPs) shall act as the OPAs to accept transactions in schemes of HDFC Mutual Fund. For their addresses, visit:

https://www.hdfcfund.com/contact-us/visit-us

**HDFC ASSET MANAGEMENT COMPANY LIMITED**

**Registered Office:**

HDFC House, 2nd Floor, H.T. Parekh Marg,
165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020
Tel.: 022-66316333 • Toll Free no. 1800 3010 6767/1800 419 7676
e-mail for Investors: hello@hdfcfund.com
e-mail for Distributors: partners@hdfcfund.com

**website: www.hdfcfund.com**

**Registrar and Transfer Agent - Computer Age Management Services Limited (CAMS)**

(Unit: HDFC Mutual Fund)

Rayala Towers, 6th Floor, Tower 1,

158, Anna Salai, Chennai - 600002.

Telephone No: 044-30212816

Email: eng_h@camsonline.com

**website: www.camsonline.com**