ADDENDUM

HDFC Arbitrage Fund, an Open-ended Equity Fund
Investment Objective: To generate income through arbitrage opportunities between cash and derivative market and arbitrage opportunities within the derivative market and by deployment of surplus cash in debt securities in money market instruments.

HDFC Capital Builder Fund, an Open-ended Growth Scheme
Investment Objective: To achieve capital appreciation.

HDFC Children's Gift Fund, an Open-ended Balanced Scheme
Investment Objective: To generate long-term capital appreciation by investing predominantly in equity and equity related securities of companies engaged in or related to the children's industry;

HDFC Core & Satellite Fund, an Open-ended Growth Scheme
Investment Objective: To seek long-term capital appreciation by investing predominantly in equity and equity related securities of companies engaged in or related to the children's industry;

HDFC Equity Fund, an Open-ended Growth Scheme
Investment Objective: To achieve capital appreciation.

HDFC Growth Opportunities Fund
Investment Objective: To achieve capital appreciation / income from a portfolio, predominantly in equity & equity related instruments. There is no assurance that the investment objective of the Scheme will be realised.

HDFC Infrastructure Fund, Open-ended Initial Linked Scheme
Investment Objective: To seek long-term capital appreciation by investing predominantly in a cross section of the strong growth companies in the diversified across major industries, economic sectors and economic sectors.

HDFC Large Cap Fund, an Open-ended Equity Scheme
Investment Objective: To provide long-term capital appreciation by investing predominantly in large cap companies.

HDFC Mid-Cap Opportunities Fund, an Open-ended Equity Scheme
Investment Objective: To provide long-term capital appreciation from a portfolio that is substantially composed of equity and equity related securities of Small and Medium enterprises and emerging markets.

HDFC Multi-Asset Fund - Plan 2005
Investment Objective: To achieve capital appreciation / income from a portfolio, predominantly in equity & equity related instruments. There is no assurance that the investment objective of the Scheme will be realised.

HDFC NIFTY ETF (An open-ended Index Linked Exchange Traded Fund)
Investment Objective: To track the NIFTY 50 Index

HDFC Small Cap Fund, an Open-ended Equity Scheme
Investment Objective: To provide long-term capital appreciation by investing predominantly in Small-Cap and Mid-Cap companies.

HDFC Tax Saver, an Open-ended Equity Linked Savings Scheme with a lock-in period of 3 years
Investment Objective: To achieve long term growth of capital.

HDFC Top 200 Fund, an Open-ended Growth Scheme
Investment Objective: To generate long term capital appreciation from a portfolio of equity and equity linked instruments. The investment portfolio for equity assets will be predominantly drawn from the companies on the BSE 100 index. Further, the Scheme will also invest in equity linked instruments that would qualify to be in the top 200 by market capitalisation on the BSE even though they may not be listed on the BSE. This includes participation in large IPOs where the market capitalisation of the company based on issue price would make the company a part of the top 200 companies listed on the BSE based on market capitalisation.

CHANGE IN FUNDAMENTAL ATTRIBUTES AND OTHER CHANGES TO THE SELECT SCHEME(S) OF HDFC MUTUAL FUND

Notice is hereby given that in accordance with SEBI circular no. SEBI/HO/IMD/F1/CR/P/2017/114 dated October 6, 2017 read with circular no. SEBI/HO/IMD/F1/CR/P/2018/97 dated December 30, 2018 ("Categorization and Rationalization of Mutual Fund Schemes"), HDFC Trustee Company Limited ("the Trustee") to HDFC Mutual Fund ("the Fund"), has decided to categorize and rationalize the existing open ended equity oriented and hybrid scheme category by inter alia approving certain changes to the Scheme(s) of the Fund. Accordingly, the following changes are proposed to be made to the Scheme Information Document ("SID") and Key Information Memorandum ("KIM") of the respective Scheme(s).

(i) Changes in the fundamental attributes including other changes to HDFC Equity Fund ("the Scheme"):

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the Scheme</td>
<td>HDFC Equity Fund</td>
<td>No change</td>
</tr>
<tr>
<td>Category of the Scheme</td>
<td>Equity Scheme</td>
<td>Multi-Cap Fund</td>
</tr>
<tr>
<td>Type of the Scheme</td>
<td>Open-ended Growth Scheme</td>
<td>Open-ended Growth Scheme</td>
</tr>
<tr>
<td>Investment Objective</td>
<td>To achieve capital appreciation</td>
<td>An open ended equity scheme investing across large cap, mid cap &amp; small cap stocks.</td>
</tr>
<tr>
<td>Allocation</td>
<td>Under normal circumstances the asset allocation will be as follows:</td>
<td>Under normal circumstances the asset allocation will be as follows:</td>
</tr>
<tr>
<td>Type of Instruments</td>
<td>Normal Allocation (% of Net Assets)</td>
<td>Risk Profile</td>
</tr>
<tr>
<td>Equity and Equity Related Instruments</td>
<td>80-100</td>
<td>Medium</td>
</tr>
<tr>
<td>Debt and Money Market Instruments</td>
<td>20-0</td>
<td>Medium</td>
</tr>
<tr>
<td>Debt Securities</td>
<td>Low to Medium</td>
<td></td>
</tr>
<tr>
<td>Borrowed by REITs and InvITs</td>
<td>0 to 10</td>
<td></td>
</tr>
<tr>
<td>Non-controlling preference shares</td>
<td>0 to 10</td>
<td></td>
</tr>
</tbody>
</table>

The Scheme may invest in the schemes of Mutual Funds to the extent permitted under SEBI (Mutual Funds) Regulations as amended from time to time.

(ii) Changes in the type of instruments:

<table>
<thead>
<tr>
<th>Change in Fundamental Attributes and Other Changes</th>
<th>Proposed Name and Type of Scheme</th>
<th>Type of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>HDFC Equity Fund (Open-ended Growth Fund)</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
<tr>
<td>HDFC Top 200 Fund (Open-ended Growth Fund)</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
<tr>
<td>HDFC Mid-Cap Opportunities Fund (Open-ended Equity Scheme)</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
<tr>
<td>HDFC Small Cap Fund (Open-ended Equity Scheme)</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
<tr>
<td>HDFC Capital Builder Fund (Open-ended Growth Scheme)</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
<tr>
<td>HDFC Large Cap Fund (Open-ended Growth Fund)</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
<tr>
<td>HDFC Core &amp; Satellite Fund (Open-ended Growth Fund)</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
<tr>
<td>HDFC Index Fund - NIFTY 50 Fund (Open-ended Linked Index Scheme)</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
<tr>
<td>HDFC NIFTY 50 ETF (An open-ended Index Exchange Traded Fund)</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
<tr>
<td>HDFC SENSEX 50 ETF (An open-ended Index Exchange Traded Fund)</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
</tbody>
</table>

The Scheme may invest in derivatives and other derivative instruments as may be permitted by SEBI from time to time.

(iii) Additional changes to the Scheme:

<table>
<thead>
<tr>
<th>Change in Fundamental Attributes and Other Changes</th>
<th>Change in Type of Scheme</th>
<th>Proposed Name and Type of Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>HDFC Equity Fund (Open-ended Equity Scheme)</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
<tr>
<td>HDFC Growth Opportunities Fund</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
<tr>
<td>HDFC Infrastructure Fund (Open-ended Equity Scheme)</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
<tr>
<td>HDFC Tax Saver, an Open-ended Equity Linked Savings Scheme with a lock-in period of 3 years</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
<tr>
<td>HDFC Large Cap Fund (Open-ended Growth Fund)</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
<tr>
<td>HDFC Core &amp; Satellite Fund (Open-ended Growth Fund)</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
<tr>
<td>HDFC Index Fund - NIFTY 50 Fund (Open-ended Linked Index Scheme)</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
<tr>
<td>HDFC NIFTY 50 ETF (An open-ended Index Exchange Traded Fund)</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
<tr>
<td>HDFC SENSEX 50 ETF (An open-ended Index Exchange Traded Fund)</td>
<td>Change in Fundamental Attributes and other change</td>
<td>Change in Type of Scheme</td>
</tr>
</tbody>
</table>

The Scheme may invest in derivatives and other derivative instruments as may be permitted by SEBI from time to time.

Investment in Debt Investments

The Scheme may also invest in debt securities in overseas financial markets for the purpose of diversification, commensurate with the Scheme's objectives and subject to the provisions of SEBI Circular No. SEBI/IMD/CIR/No.7/45753/07 dated September 26, 2007 as may be amended from time to time and any other requirements as may be stipulated by SEBI/BSE from time to time. The Scheme will invest not more than 25% of its net assets in foreign securities.

Investment in Derivatives

The Scheme may invest in derivatives and other derivative instruments as may be permitted by SEBI from time to time.

Investment Strategy

HDFC Equity Fund (Open-ended Equity Scheme)

To achieve capital appreciation

HDFC Growth Opportunities Fund

To achieve capital appreciation / income from a portfolio, predominantly in equity & equity related instruments.

HDFC Infrastructure Fund, Open-ended Initial Linked Scheme

To track the NIFTY 50 Index

HDFC NIFTY 50 ETF (An open-ended Index Exchange Traded Fund)

To track the NIFTY 50 Index

HDFC SENSEX 50 ETF (An open-ended Index Exchange Traded Fund)

To track S&P BSE SENSEX 50 Index

The investment objective of the Scheme is to achieve capital appreciation / income from a portfolio, predominantly in equity & equity related instruments.
The Scheme will be required to adhere the following:

- Large Cap: 1st - 100th company in terms of full market capitalization
- Mid Cap: 101st - 250th company in terms of full market capitalization
- Small Cap: 251st company onwards in terms of full market capitalization

The Scheme may also invest up to 25% of net assets of the Scheme in derivatives such as Futures & Options and such other derivative instruments as may be permitted by SEBI from time to time.

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

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

Apart from above, all other features and terms & conditions of the Scheme shall remain unchanged.

(2) Changes in the fundamental attributes including other changes of HDFC Top 200 Fund (the Scheme):
**Investment Strategy**

The investment objective of the Scheme is to generate capital growth from investments in a portfolio of stocks, which is substantially constituted of equity and equity related securities of Small and Mid-Cap companies.

The investment manager will also seek participation in other equity and equity related securities to achieve optimal portfolio construction. The scheme may also invest in a certain portion of its corpus in debt and money market securities.

Small and Mid-Cap companies offer higher return potential than large cap companies on one hand but also carry higher risk than large cap companies, particularly over the short and medium term.

The following are some of the reasons why Small/Mid Cap companies offer higher return potential.

1. Relatively lesser known market participants / price discovery by market is not full.
2. Better growth prospects due to presence in a new market segment area that is growing at a faster pace.
3. Ability to gain share due to new technology, better product / service etc.
4. Room for P/E multiples to expand if the company transitions from a small / mid cap to large cap, etc.

To reduce risk, the fund will maintain a well-diversified portfolio. While the portfolio focuses primarily on a buy and hold strategy at most times, it will balance the same with a rational approach to selling when the valuations become too demanding even in the face of reasonable growth prospects in the long run.

Though every endeavour will be made to achieve the overall investment 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.

**Provisions**

<table>
<thead>
<tr>
<th>Revised Provision (proposed)</th>
<th>Existent Provision</th>
<th>Revised Provision (proposed)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Instruments</strong></td>
<td><strong>Minimum Allocation (% of Net Assets)</strong></td>
<td><strong>Maximum Allocation (% of Net Assets)</strong></td>
</tr>
<tr>
<td>Equity and related securities of Small and Mid-Cap companies of which:</td>
<td>75 100 High</td>
<td>Equity and related securities of Small and Mid-Cap companies of which: **</td>
</tr>
<tr>
<td>Debt Securities (including securitized debt) and money market instruments</td>
<td>0 25 Low to Medium</td>
<td>Non-conservable instruments</td>
</tr>
</tbody>
</table>

Under normal circumstances the asset allocation will be as follows:

- The Scheme may invest up to 35% of its net assets in foreign securities.
- The Scheme will invest 25% of its net assets in debt and money market securities (including instrument in securitized debt).*
- The Scheme will invest up to 3% of its net assets in debt instruments other than above.
- The Scheme may also invest up to 20% of its net assets in cash and near cash instruments.
- The Scheme may also invest in the hybrid securities viz. REITs and InvITs.
- The Scheme may undertake repo / reverse repo transactions in Corporate Debt Securities; Credit Default Swaps, Short sales and selling short other transactions in accordance with guidelines issued by SEBI from time to time.
- The Scheme may invest in other debt related instruments such as Credit Default Swap, and Credit Default Swap Options, etc.

**Under normal circumstances the asset allocation will be as follows:**

- The Scheme may undertake (i) repo / reverse repo transactions in Corporate Debt Securities; (ii) Credit Default Swaps, (iii) Short selling and selling short other transactions in accordance with guidelines issued by SEBI from time to time.

Apart from above, all other features and terms of the Scheme shall remain unchanged.

**Investment in derivatives**

The Scheme may invest in a variety of instruments such as forwards, currency futures, convertible bonds, equity derivatives, and securitized debt instruments.

The Scheme may also invest in the hybrid securities viz. REITs and InvITs.

The Scheme may undertake repo / reverse repo transactions in Corporate Debt Securities; Credit Default Swaps, Short sales and selling short other transactions in accordance with guidelines issued by SEBI from time to time.

The Scheme may also invest in other debt related instruments such as Credit Default Swap, and Credit Default Swap Options, etc.

**Investment in derivatives**

The Scheme may invest up to 35% of its net assets in foreign securities.

**Investment in derivatives**

The Scheme may undertake repo / reverse repo transactions in Corporate Debt Securities; Credit Default Swaps, Short sales and selling short other transactions in accordance with guidelines issued by SEBI from time to time.

Apart from above, all other features and terms of the Scheme shall remain unchanged.

**Investment in countries**

The Scheme may also invest in capital markets in overseas financial markets for the purpose of diversification, in accordance with the Scheme objectives and subject to the provisions of SEBI Circular No. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007, as may be amended from time to time and any other requirements as may be stipulated by SEBI/RBI from time to time.

Investment in derivatives

The Scheme may undertake repo / reverse repo transactions in Corporate Debt Securities; Credit Default Swaps, Short sales and selling short other transactions in accordance with guidelines issued by SEBI from time to time.

Apart from above, all other features and terms of the Scheme shall remain unchanged.

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Apart from above, all other features and terms of the Scheme shall remain unchanged.

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Apart from above, all other features and terms of the Scheme shall remain unchanged.

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Investment in derivatives

The Scheme may undertake repo / reverse repo transactions in Corporate Debt Securities; Credit Default Swaps, Short sales and selling short other transactions in accordance with guidelines issued by SEBI from time to time.

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Investment in derivatives

The Scheme may undertake repo / reverse repo transactions in Corporate Debt Securities; Credit Default Swaps, Short sales and selling short other transactions in accordance with guidelines issued by SEBI from time to time.

Apart from above, all other features and terms of the Scheme shall remain unchanged.
The Scheme may undertake (i) repo / reverse repo transactions in Corporate Debt Securities (ii) Credit Default Swaps (iii) Short and Foreign Asset

The Scheme may also seek participation in other derivatives linked to related companies

The Scheme may invest in derivatives such as Futures & Options and such other derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the Regulations and guidelines.

The Scheme may also invest in the hybrid securities viz. Units of REITs and InvITs for diversification and subject to necessary stipulations by SEBI from time to time. Subject to the Regulations and the applicable guidelines, the Scheme may, engage in Stock Lending activities.

The Scheme may also invest in the schemes of Mutual Funds.

The Scheme may also invest upto 25% of net assets of the Scheme in derivatives such as Futures & Options and such other derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the Regulations and guidelines.

The Scheme may also invest a part of its net assets not exceeding 40% of its net assets, in overseas markets in Global Depository Receipts (GDRs), ADRs, overseas equity, bonds and mutual funds and such other instruments as may be allowed under the Regulations from time to time.

Subject to the Regulations and the applicable guidelines, the Scheme may, engage in Stock Lending activities.

The Scheme may also invest in the hybrid securities viz. Units of REITs and InvITs for diversification and subject to necessary stipulations by SEBI from time to time.

The Scheme may also invest in the hybrid securities viz. Units of REITs and InvITs for diversification and subject to necessary stipulations by SEBI from time to time.

The Scheme shall follow predominantly a small cap strategy with a minimum exposure of 80% to Small-Cap companies.

The Scheme may, engage in Stock Lending activities.

The Scheme may also invest in the hybrid securities viz. Units of REITs and InvITs for diversification and subject to necessary stipulations by SEBI from time to time.

The Scheme shall follow predominantly a small cap strategy with a minimum exposure of 80% to Small-Cap companies.

The Scheme may also seek participation in other derivatives linked to related companies

The Scheme may invest in derivatives such as Futures, Options, Interest Rate Swaps, Forward Rate Agreements, and such other derivative instruments as may be permitted by SEBI from time to time.

Derivative investments may be undertaken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time. The Scheme intends to use derivatives mainly for the purpose of hedging and portfolio balancing.

The Scheme may invest in derivatives which are used as guidelines for assessing the valuation of companies.

The Scheme may invest in derivatives which are used as guidelines for assessing the valuation of companies.

The Scheme may undertake (i) repo / reverse repo transactions in Corporate Debt Securities (ii) Credit Default Swaps (iii) Short and Foreign Asset

The Scheme may also seek participation in other derivatives linked to related companies

The Scheme may invest in derivatives such as Futures, Options, Interest Rate Swaps, Forward Rate Agreements, and such other derivative instruments as may be permitted by SEBI from time to time.

Derivative investments may be undertaken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time. Hedging could be perfect or

The Scheme may undertake (i) repo / reverse repo transactions in Corporate Debt Securities (ii) Credit Default Swaps (iii) Short and Foreign Asset

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The Scheme may undertake (i) repo / reverse repo transactions in Corporate Debt Securities (ii) Credit Default Swaps (iii) Short and Foreign Asset

The Scheme may also seek participation in other derivatives linked to related companies

The Scheme may invest in derivatives such as Futures, Options, Interest Rate Swaps, Forward Rate Agreements, and such other derivative instruments as may be permitted by SEBI from time to time.

Derivative investments may be undertaken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time. Hedging could be perfect or

The Scheme may undertake (i) repo / reverse repo transactions in Corporate Debt Securities (ii) Credit Default Swaps (iii) Short and Foreign Asset

The Scheme may also seek participation in other derivatives linked to related companies

The Scheme may invest in derivatives such as Futures, Options, Interest Rate Swaps, Forward Rate Agreements, and such other derivative instruments as may be permitted by SEBI from time to time.

Derivative investments may be undertaken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time. Hedging could be perfect or

The Scheme may undertake (i) repo / reverse repo transactions in Corporate Debt Securities (ii) Credit Default Swaps (iii) Short and Foreign Asset

The Scheme may also seek participation in other derivatives linked to related companies

The Scheme may invest in derivatives such as Futures, Options, Interest Rate Swaps, Forward Rate Agreements, and such other derivative instruments as may be permitted by SEBI from time to time.

Derivative investments may be undertaken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time. Hedging could be perfect or

The Scheme may undertake (i) repo / reverse repo transactions in Corporate Debt Securities (ii) Credit Default Swaps (iii) Short and Foreign Asset

The Scheme may also seek participation in other derivatives linked to related companies

The Scheme may invest in derivatives such as Futures, Options, Interest Rate Swaps, Forward Rate Agreements, and such other derivative instruments as may be permitted by SEBI from time to time.

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The Scheme may undertake (i) repo / reverse repo transactions in Corporate Debt Securities; (ii) Credit Default Swaps, (iii) Short Securities

This product is suitable for investors who are seeking:

Investors understand that their principal will be at High risk.

Product Labeling

This product is suitable for investors who are seeking:

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

The Scheme may undertake (i) repo / reverse repo transactions in Corporate Debt Securities; (ii) Credit Default Swaps, (iii) Short Selling and such other transactions in accordance with guidelines issued by SEBI/RBI from time to time.

Apart from above, all other features and terms & conditions of the Scheme shall remain unchanged.

APPROVED THIS PROOF FOR GUIDANCE PURPOSES ONLY. THE FINAL FORM WILL BE SUPPLIED IN ADVANCE TO THE APPROPRIATE DEPARTMENTS FOR THEIR CONSIDERATION. THERE WILL BE NO CONSIDERATION AFTER THE FINAL FORM HAS BEEN DRAWN UP.

The Scheme may also invest in suitable investment avenues in overseas financial markets for the purpose of diversification, commensurate with the Scheme objectives and subject to the provisions of SEBI Circular No. SEBI/MFD-CIR No.7/104753/07 dated September 26, 2007 as may be amended from time to time and any other requirements as may be stipulated by SEBI/RBI from time to time.

The Scheme will invest 35% of its net assets in ADRs/GDRs and Foreign Securities.

Investment Strategy

The Scheme shall invest predominately in equity and equity related securities of companies engaged in or expected to benefit from the growth and development of infrastructure sectors covered under infrastructure/related areas: • Airports • Banks and Financial Services • Cement and Cement Products • Construction and related industries • Electrical and Electronic Components • Energy • Engineering • Metals/Mining/Minerals • Housing and related industries • Industrial Capital Goods • Industrial Products • Oil & Gas and allied industries • Petroleum and related industries • Ports • Ports and Power Equipment • Telecom • Urban Infrastructure including Transportation, Water, etc.

The Scheme will invest across the above mentioned sectors or other areas of infrastructure as identified by the Fund Manager. The Fund Manager may add or delete any such sector/group of industries, which broadly satisfy the category of services, and infrastructure industries. The Scheme may also invest up to 35% of the fund in non-infrastructure related companies. The Scheme shall invest across all listed companies in market capitalization. The balances if any, will be invested in Debt or Money Market Instruments and Fixed Income Derivative, including Swap derivative.

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

The Scheme may undertake repo / reverse repo transactions in Corporate Debt Securities; (ii) Credit Default Swaps, (iii) Short Selling and such other transactions in accordance with guidelines issued by SEBI/RBI from time to time.

The Scheme shall invest up to 50% of its total assets in Derivatives. The Scheme may invest up to 20% of its net assets in Derivatives.

The Scheme may invest in the following categories of services, and infrastructure industries. The Scheme may undertake repo / reverse repo transactions in Corporate Debt Securities; (ii) Credit Default Swaps, (iii) Short Securities

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The Scheme may invest in the following types of instruments and categories of services, and infrastructure industries. The Scheme may undertake repo / reverse repo transactions in Corporate Debt Securities; (ii) Credit Default Swaps, (iii) Short Securities

The Scheme shall invest up to 50% of its total assets in Derivatives.

The Scheme may undertake repo / reverse repo transactions in Corporate Debt Securities; (ii) Credit Default Swaps, (iii) Short Securities

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The Scheme may undertake repo / reverse repo transactions in Corporate Debt Securities; (ii) Credit Default Swaps, (iii) Short Securities

Investments in securitised debt shall not normally exceed 30% of the net assets of the scheme.

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Investors understand that their principal will be at High risk.

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The Scheme may also invest in suitable investment avenues in overseas financial markets for the purpose of diversification, commensurate with the Scheme's objectives and subject to the provisions of SEBI Circular No. SEBI/IMD/CIR.No.7/14753/07 dated September 26, 2007 as may be amended from time to time and any other requirements as may be stipulated by SEBI/RBI from time to time. The Scheme will invest up to a maximum of 30% of its net assets in foreign securities.

The investment universe of Large Cap, Mid Cap and Small Cap securities will be as follows:

- **Large Cap**: Companies with a market capitalization of at least INR 250 billion as per the June 30, 2007 list uploaded on the AMFI website
- **Mid Cap**: Companies in the 101st to 250th company in terms of full market capitalization as per the June 30, 2007 list uploaded on the AMFI website
- **Small Cap**: Companies in the 251st to 500th company in terms of full market capitalization as per the June 30, 2007 list uploaded on the AMFI website

The Scheme may invest up to a maximum of 30% of its net assets in foreign securities and up to a maximum of 20% of the net assets in foreign debt securities.

**Investment Strategy**
The Scheme will invest in Large Cap stocks. Large-cap stocks would be defined as Stocks having a market capitalization equal to or above that of the MSCI World index (as per the Nifty 50 Index as on December 31, 2007).

Companies identified for selection in the portfolio will have demonstrated a potential to grow at a reasonable rate and address the medium to long term. The aim will be to build a portfolio that adequately reflects a cross-section of the growth areas of the economy from time to time.

While the portfolio focuses predominantly on a buy and hold strategy, the strategy will also be to balance the same with a rational approach to selling up, as permitted by the regulations (subject to overall limit of 30 stocks).

The investment objective of the Scheme is to generate capital appreciation over medium to long term. The Scheme would invest mainly in companies of high quality, which have the following characteristics:

- Good financial strength
- Quotable at relatively attractive valuations, and
- Have a unique competitive advantage
- Have superior financial strength
- Have trading at relatively attractive valuations, and
- Have a unique competitive advantage
- Have superior financial strength

The Scheme may also invest a part of its net assets to a maximum of 20% of the net assets in foreign securities and up to a maximum of 20% of the net assets in foreign debt securities as may be allowed under the Regulations from time to time.

**Subject to the Regulations and the applicable guidelines, the Scheme may engage in Stock Lending activities.**

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

**Provisions**

- **Investment in derivatives**: The Scheme may invest up to 100% of its total assets in Derivatives. The Scheme may invest in derivatives based on its investment opportunities as permitted by SEBI from time to time and in line with the overall investment objective of the Scheme.

- **Investment in foreign securities**: The Scheme may invest in foreign securities as offered under the Scheme.

- **Investment in small cap companies**: The Scheme may invest up to a maximum of 30% of its net assets in small cap companies.
Apart from above, all other features and terms & conditions of the Scheme shall remain unchanged.

### Investment Strategy

The Scheme may invest up to a maximum of 50% of its net asset value in derivatives. Derivative investments may be undertaken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time. The Scheme intends to use derivatives primarily for the purpose of hedging and portfolio balancing. The Scheme may undertake such derivative investments as permitted by SEBI from time to time. Derivative investments may be undertaken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time.

In the case where the Scheme invests in foreign securities, the AMC/Sponsor/Trustee shall ensure that the Scheme is able to comply with the provisions of the applicable extant SEBI Regulations.

### Investment in Derivatives

The Scheme may engage in derivatives and such other transactions in accordance with guidelines issued by SEBI from time to time. The Scheme may also undertake such derivative investments as permitted by SEBI from time to time. Derivative investments may be undertaken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time.

In the case where the Scheme invests in foreign securities, the AMC/Sponsor/Trustee shall ensure that the Scheme is able to comply with the provisions of the applicable extant SEBI Regulations.

### Asset Allocation

Under normal circumstances, the asset allocation will be as follows:

<table>
<thead>
<tr>
<th>Type of Instruments</th>
<th>Normal Allocation (% of Net Assets)</th>
<th>Risk Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities covered by the NIFTY 50 Index</td>
<td>95-100</td>
<td>Medium</td>
</tr>
<tr>
<td>Debt securities and money market instruments but excluding subscription and redemption cash flow</td>
<td>0-5</td>
<td>Low to Medium</td>
</tr>
<tr>
<td>Subscription Cash Flow</td>
<td>The subscription cash flow is the subscription money in transit before deployment and redemption in the Scheme is the money kept aside for meeting redemptions.</td>
<td></td>
</tr>
</tbody>
</table>

The Scheme will not invest in foreign Securitized Debt. Subscription cash flow is unhedged. The Scheme will not invest in Foreign Securitized Debt. Subscription cash flow is unhedged.

### Investment Strategy

The NIFTY 50 Plan will be managed passively with investments in stocks in a proportion that is as close as possible to the weightages of those stocks in the respective Index. The investment strategy would revolve around reducing the tracking error to the least possible through regular rebalancing of the portfolio taking into account the change in weights of stocks in the Index as well as the incremental/collected redemptions from this plan.

A small portion of the net assets will be invested in money market instruments permitted by SEBI, RBI (including Collateralised Borrowing & Lending Obligations (CBLO) or alternative investment for the Collateralised Borrowing & Lending Obligations (CBLO) as may be provided by the RBI, to meet the liquidity requirements of the Plan under the Scheme.

The Scheme will not invest in Foreign Securitized Debt. 

### Product Labelling

This product is suitable for investors who are seeking:

<table>
<thead>
<tr>
<th>Product Labelling</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investors understand that their principal will be at</td>
<td>Moderately High risk</td>
</tr>
</tbody>
</table>

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

### Changes in the fundamental attributes including other changes to HDFC NIFTY ETF ("the Scheme")

#### (d) Changes in the fundamental attributes including other changes to HDFC NIFTY ETF ("the Scheme")

<table>
<thead>
<tr>
<th>Name of the Scheme</th>
<th>HDFC NIFTY ETF</th>
<th>HDFC NIFTY 50 ETF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of the Scheme</td>
<td>Exchange Traded Fund</td>
<td>Exchange Traded Fund</td>
</tr>
<tr>
<td>Name of the Fund</td>
<td>HDFC NIFTY ETF</td>
<td>HDFC NIFTY 50 ETF</td>
</tr>
<tr>
<td>Category of the Fund</td>
<td>No change</td>
<td>No change</td>
</tr>
<tr>
<td>Benchmark Index</td>
<td>NIFTY 500</td>
<td>NIFTY 50 Index</td>
</tr>
<tr>
<td>Product Labelling</td>
<td>This product is suitable for investors who are seeking:</td>
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</tr>
<tr>
<td>Investors understand that their principal will be at</td>
<td>Investors understand that their principal will be at</td>
<td></td>
</tr>
<tr>
<td>Moderately High risk</td>
<td>Moderately High risk</td>
<td></td>
</tr>
</tbody>
</table>

The Scheme may undertake (i) Credit Default Swaps, (ii) Short Selling and such other transactions in accordance with guidelines issued by SEBI from time to time.

Apart from above, all other features and terms & conditions of the Scheme shall remain unchanged.

### Utilization of redemptions

The Scheme may utilise redemptions as follows:

<table>
<thead>
<tr>
<th>Type of Instruments</th>
<th>Risk Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities covered by the NIFTY 50 Index</td>
<td>95-100</td>
</tr>
<tr>
<td>Debt securities and money market instruments but excluding subscription and redemption cash flow</td>
<td>0-5</td>
</tr>
</tbody>
</table>

The Scheme may invest in corporate securities which are kept aside for meeting redemptions.

### Institutional Investors

The Scheme may invest in corporate securities which are kept aside for meeting redemptions.

### Registration

The Scheme may invest in corporate securities which are kept aside for meeting redemptions.

### Additional Information

The Scheme may invest in corporate securities which are kept aside for meeting redemptions.

### Investment in Derivatives

The Scheme may engage in derivatives and such other transactions in accordance with guidelines issued by SEBI from time to time. The Scheme may also undertake such derivative investments as permitted by SEBI from time to time. Derivative investments may be undertaken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time.

In the case where the Scheme invests in foreign securities, the AMC/Sponsor/Trustee shall ensure that the Scheme is able to comply with the provisions of the applicable extant SEBI Regulations.

### Asset Allocation

Under normal circumstances, the asset allocation will be as follows:

<table>
<thead>
<tr>
<th>Type of Instruments</th>
<th>Normal Allocation (% of Total Assets)</th>
<th>Risk Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities covered by the NIFTY 50 Index</td>
<td>95-100</td>
<td>High</td>
</tr>
<tr>
<td>Debt securities and money market instruments but excluding subscription and redemption cash flow</td>
<td>0-5</td>
<td>Low to Medium</td>
</tr>
</tbody>
</table>

The Scheme may invest in foreign Securitized Debt. Subscription cash flow is unhedged. The Scheme will not invest in Foreign Securitized Debt. Subscription cash flow is unhedged.

### Investment Strategy

The NIFTY 50 Plan will be managed passively with investments in stocks in a proportion that is as close as possible to the weightages of those stocks in the respective Index. The investment strategy would revolve around reducing the tracking error to the least possible through regular rebalancing of the portfolio taking into account the change in weights of stocks in the Index as well as the incremental/collected redemptions in the Scheme. A part of the funds may be invested in debt and money market instruments, to meet the liquidity requirements.

Subject to the Regulations and the applicable guidelines, the Scheme may engage in Stock Lending activities. The Scheme may also invest in the schemes of Mutual Funds.
Investment in Derivatives

The scheme will not make any investment in Derivatives.

The Scheme may invest up to 90% of its net assets in Derivatives.

In addition to the above, all other features and terms & conditions of the Scheme shall remain unchanged.

The Scheme may undertake (i) Credit Default Swaps, (ii) Short Selling and such other transactions in accordance with guidelines issued by SEBI from time to time.

Apart from above, all other features and terms & conditions of the Scheme shall remain unchanged.

Changes in the fundamental attributes including other changes of HDFC Equity Savings Fund ("the Scheme")

The margin money deployed on these positions (both equity and/or debt derivatives) would be included in Money market category.

Investment in Derivatives

The Scheme may seek investment opportunity in derivatives other than in S&P BSE Sensex Index Futures, Debt Securities and foreign exchange derivatives to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time.

The Scheme may invest up to 35% of its total assets in Derivative Instruments such as forwards, stock index futures, index options and stock options.

The Scheme may invest up to 35% of its total assets in derivative instruments such as forwards, stock index futures, index options and stock options.

The Scheme may invest in the schemes of Mutual Funds and other SEBI registered entities as may be stipulated by SEBI and any other requirements as may be stipulated by SEBI/RBI from time to time.

The Scheme may seek investment opportunity in inwards foreign securities in accordance with guidelines stipulated in this regard by SEBI and RBI from time to time.

The Scheme may, subject to the provisions of SEBI (Circular No:SEBI/DIR:CIR No.710475375 dated September 26, 2007) may be accountant from time to time and any other requirements as may be stipulated by SEBI/RBI from time to time.

The Scheme may invest up to 35% of its total assets in foreign debt, equity and/or debt derivatives.

Investment in Debt Securities

The Scheme may seek investment opportunity in debt securities and foreign exchange derivatives to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time.

Under normal circumstances, the Scheme will not invest more than 50% of its net long equity exposure at any point of time.

The Scheme may invest in securities denominated in foreign currencies, subject to the guidelines stipulated in this regard by SEBI and RBI from time to time.

The Scheme may invest up to 35% of its net long equity exposure at any point of time.

The Scheme may invest in debt securities other than in debt securities denominated in foreign currencies, which are not normally permitted by SEBI from time to time.

Apart from above, all other features and terms & conditions of the Scheme shall remain unchanged.

The Scheme may undertake (i) Credit Default Swaps, (ii) Short Selling and such other transactions in accordance with guidelines issued by SEBI from time to time.

Apart from above, all other features and terms & conditions of the Scheme shall remain unchanged.

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Apart from above, all other features and terms & conditions of the Scheme shall remain unchanged.

The Scheme may undertake (i) Credit Default Swaps, (ii) Short Selling and such other transactions in accordance with guidelines issued by SEBI from time to time.
Particulars | Existing Provision | Revised Provision (proposed)
--- | --- | ---
Investment Strategy | Index Arbitrage: As the Nifty 50 Index derives its value from fifty underlying stocks, the underlying stocks can be used to create a synthetic index matching the Nifty 50 Index levels. Also, theoretically, the fair value of a stock/index futures is equal to the spot price plus the cost of carry. Theoretically, the price of Nifty 50 Index futures should be equal to the synthetic index created by futures on the underlying securities. However, due to market imperfections, the index futures may not exactly correspond to the synthetic index futures. The Nifty 50 Index futures normally trade at a discount to the synthetic index due to large volumes of stock hedging being done using the Nifty 50 Index futures giving rise to arbitrage opportunities. The fund manager shall aim to capture such arbitrage opportunities by taking long positions in the Nifty 50 Index futures and short positions in the synthetic index. Cash Futures Arbitrage: The scheme would look for market opportunities between the spot and the futures market. The cash futures arbitrage strategy can be employed when the prices of the futures exceed the price of the underlying stock. The scheme will first buy the stocks in cash market and then sell the futures market to lock the spread making an arbitrage return. Boing the stocks and selling the futures results into a hedge where the scheme has locked in a spread and is not affected by the price movement of cash market and futures market. The arbitrage position can be continued till expiry of the contract. The futures contracts are settled based on the last half an hour’s weighted average trade of the cash market. Thus there is a convergence between the cash market and the futures market on expiry. This convergence helps the scheme to generate the arbitrage return locked in earlier. However, the position could even be closed earlier in case the price differential is realized before expiry or better opportunities are available in other stocks. Also, in case the scheme has to unwind the positions prior to the expiry on account of redemptions or any other reason, the returns would depend on the spread between the spot and futures price at which the position is unwound. ADR / GDR Underlying Shares: In two-way fungibility, depository receipts may be converted into underlying domestic shares and local shares can be reconverted into depository receipts. The depositary receipts could either be Global Depositary Receipts (GDRs) or American Depositary Receipts (ADRs). GDRs are listed on the London or the Luxembourg Stock Exchange, while ADRs are listed on the US exchanges like the New York Stock Exchange (NYSE) or the NASDAQ. Since every GDR / ADR has a given number of underlying shares, the number of shares qualifying for conversion into GDRs / ADRs is limited to the number of shares, which were converted into local shares. Say for instance that the ADR / GDR price is at a discount to the price of the underlying share. Converting the ADR / GDR into the underlying shares can now result in a gain. If the ADR/GDR price is at a premium to the price of the underlying shares, then it makes sense to re-convert the underlying shares into depository receipts. All this is subject to headroom or the availability of shares for re-conversion. Say for example a particular company has issued 10 million ADRs with one underlying share per ADR. Two million ADRs have been reconverted into local shares. Therefore two million local shares can be reconverted to ADRs. Here the intention is to capture the spread due to mis-pricing in ADR/GDR and the equivalent local shares, through simultaneous long or short positions. Corporate Action / Event Driven Strategies: Any corporate action or event driven strategy where there is a potential opportunity for arbitrage in the cash and derivative markets such as: Dividend Arbitrage: Around dividend declaration time, the stock futures / options market can provide a profitable opportunity. Generally, the stock price decline by the dividend amount when the stock goes ex-dividend. Buy-Back Arbitrage: When the Company announces the buy-back of its own shares, there could be opportunities due to price differential in buyback price and paid price. Mergers: When the Company announces any merger, amalgamation, hive off, de-merger, etc., there could be opportunities due to price differential in the cash and the derivative market. Pure equity investments: In order to provide long term capital appreciation, the Scheme will invest predominantly in growth companies. Companies selected under this portfolio would be across market capitalizations. The aim will be to build a portfolio, which represents a cross section of the strong growth companies in the prevailing market. In order to reduce the risk of volatility, the Scheme will diversify across major industries and economic sectors. Debt/Money market instruments: The Scheme will retain the flexibility to invest in the entire range of debt instruments and money market instruments (including securitised debt). Investment in Debt Securities and Money Market Instruments will be as per the limits in the asset allocation table of the scheme, subject to permissible limits laid under SEBI (MF) Regulations. 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.

| Product Labelling | Existing Provision | Revised Provision (proposed) |
--- | --- | ---
This product is suitable for investors who are seeking*: No change. | Capital appreciation while generating income over medium to long term | Provide capital appreciation and income distribution to the investors by using equity and equity related instruments, arbitrage opportunities, and investments in debt and money market instruments. |

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

The Scheme may undertake (i) repo / reverse repo transactions in Corporate Debt Securities; (ii) Credit Default Swaps, (iii) Short selling (other than short sales) and such other transactions as are allowed by SEBI from time to time. Apart from all other features and terms & conditions of the Scheme shall remain unchanged.

(iv) Changes in the fundamental attributes including other changes of HDFC Children's Gift Fund ("the Scheme"): Provisions | Existing | Revised (proposed) |
--- | --- | ---
Name of the Scheme | HDFC Children's Gift Fund | No change |
Type of Scheme | Balanced Fund | Children's Fund |
Objective of the Scheme | Open-ended Balanced Scheme | Open-ended Balanced Scheme |
Investment Objective | The primary objective of the Scheme is to generate long term capital appreciation. Lead to capital appreciation / income from a portfolio of equity & equity related instruments and debt and money market instruments. | To generate capital appreciation / income from a portfolio of equity & equity related instruments and debt and money market instruments. |

The Scheme may invest in the schemes of Mutual Funds and Financial Derivatives in accordance with the applicable extant SEBI (Mutual Funds) Regulations as amended from time to time. The Scheme may invest up to 35% of its total assets in foreign securities. The Scheme may invest in derivatives as per guidelines provided by SEBI from time to time and in line with the overall investment objective of the Scheme. The Scheme may invest in derivative instruments like Futures, Options, Interest Rate Swaps, Forward Rate Agreements, and such other derivative instruments as may be permitted by SEBI from time to time. Derivative investments may be undertaken to hedge the portfolio, rebalance the same or undertake any other strategies as permitted under SEBI (MF) Regulations from time to time. The maximum derivative position will be limited to 30% of the Net Assets (i.e. Net Assets including cash) of the Scheme. The Scheme may invest upto 100% of its total assets in Derivatives. The Scheme may invest in derivatives based on the guidelines 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 may invest in derivative instruments like Futures, Options, Interest Rate Swaps, Forward Rate Agreements, and such other derivative instruments as may be permitted by SEBI from time to time. Derivative investments may be undertaken to hedge the portfolio, rebalance the same or undertake any other strategies as permitted under SEBI (MF) Regulations from time to time. The maximum derivative position will be limited to 30% of the Net Assets (i.e. Net Assets including cash) of the Scheme. The Scheme may invest in the schemes of Mutual Funds and Financial Derivatives in accordance with the applicable extant SEBI (Mutual Funds) Regulations as amended from time to time.
The Scheme would carry out simple strategies, which would be to take offsetting positions on various assets simultaneously across various asset classes. The overall risk the Scheme would carry would be that of being moderately high risk.

The Scheme may undertake a variety of arbitrage opportunities such as Index/Spot vs Index/Stock Futures or Index Futures vs Stock Futures or Futures of same stock with different expiry months or ADR/GDR vs underlying shares etc.

The Scheme may use corporate action or event driven strategies where there is a potential opportunity for arbitrage in cash or derivative market such as dividend payment, buy-back or mergers or acquisitions etc.

The Scheme would carry out simple strategies, which would be to take offsetting positions on various assets simultaneously across various asset classes. The overall risk the Scheme would carry would be that of being moderately high risk.

The Scheme may undertake a variety of arbitrage opportunities such as Index/Spot vs Index/Stock Futures or Index Futures vs Stock Futures or Futures of same stock with different expiry months or ADR/GDR vs underlying shares etc.

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The Scheme may undertake a variety of arbitrage opportunities such as Index/Spot vs Index/Stock Futures or Index Futures vs Stock Futures or Futures of same stock with different expiry months or ADR/GDR vs underlying shares etc.

The Scheme may use corporate action or event driven strategies where there is a potential opportunity for arbitrage in cash or derivative market such as dividend payment, buy-back or mergers or acquisitions etc.

The Scheme would carry out simple strategies, which would be to take offsetting positions on various assets simultaneously across various asset classes. The overall risk the Scheme would carry would be that of being moderately high risk.

The Scheme may undertake a variety of arbitrage opportunities such as Index/Spot vs Index/Stock Futures or Index Futures vs Stock Futures or Futures of same stock with different expiry months or ADR/GDR vs underlying shares etc.

The Scheme may use corporate action or event driven strategies where there is a potential opportunity for arbitrage in cash or derivative market such as dividend payment, buy-back or mergers or acquisitions etc.

The Scheme would carry out simple strategies, which would be to take offsetting positions on various assets simultaneously across various asset classes. The overall risk the Scheme would carry would be that of being moderately high risk.

The Scheme may undertake a variety of arbitrage opportunities such as Index/Spot vs Index/Stock Futures or Index Futures vs Stock Futures or Futures of same stock with different expiry months or ADR/GDR vs underlying shares etc.

The Scheme may use corporate action or event driven strategies where there is a potential opportunity for arbitrage in cash or derivative market such as dividend payment, buy-back or mergers or acquisitions etc.

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Investment Strategy

The Scheme aims to aim at maintaining a reasonably diversified portfolio at all times.

Debt Investments

Investment in Debt securities (including securitised debt) and money market instruments will be as per the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations. Investment in debt securities will be guided by credit quality, liquidity, interest rates and their outlook.

Gold

The Scheme may invest in Gold, Gold ETFs and Gold related instruments (including derivatives, such as Options on Gold Bonds etc and as when SEBI/IRB permits).

The Scheme may also invest in the hybrid securities viz. units of REITs and InvITs for diversification and subject to necessary stipulations by SEBI from time to time. Apart from fundamentals, all other features and terms & conditions of the Scheme shall remain unchanged.

(10.1) Change in Fundamental Attributes including other changes to HDFC

The Scheme may undertake (i) repo / reverse repo transactions in Corporate Debt Securities; (ii) Credit Default Swaps, (iii) Short and Foreign

Particulars

Inventory

The Scheme may invest up to 50% of its total assets in Debt securities (including securitised debt) and money market instruments.

The Scheme may invest in derivative instruments like Futures, Options, Interest Rate Swaps, Forward Rate Agreements and other such derivative instruments, subject to the guidelines provided by SEBI, which may be amended from time to time. The Scheme may invest in the schemes of Mutual Funds in accordance with the applicable extant SEBI (Mutual Funds) Regulations as amended from time to time.

The objective of the Scheme is to generate long term capital appreciation/income by investing in a diversified portfolio of equity & equity related instruments, debt & money market instruments and Gold.

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

The Scheme may invest up to 50% of its total assets in Debt securities (including securitised debt) and money market instruments.

Investment

The aim will be to invest in companies across market capitalisation which have:

- reasonable growth prospects
- sound financial strength
- sustainable business models
- acceptable valuation that offer potential for capital appreciation

Investment in foreign securities

The Scheme aims to aim at maintaining a reasonably diversified portfolio at all times.

The Scheme may invest up to 50% of its total assets in Derivatives.

The Scheme may invest in derivatives based on the objectives 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 may invest in derivative instruments like Futures, Options, Interest Rate Swaps, Forward Rate Agreements, and such other derivative instruments, which may be permitted by SEBI from time to time.

The Scheme may invest in Gold Monetization Scheme of banks notified by RBI as per SEBI vide Circular No. CIR/MRD/FD/31/2015 dated December 31, 2015, subject to the guidelines provided by SEBI, which may be amended from time to time.

The Scheme may invest in the schemes of Mutual Funds in accordance with the applicable extant SEBI (Mutual Funds) Regulations as amended from time to time. The Scheme may invest in the schemes of Mutual Funds in accordance with the applicable extant SEBI (Mutual Funds) Regulations as amended from time to time. The Scheme may invest up to 50% of its total assets in foreign securities.

Investment Allocation

The Scheme may invest up to 50% of its total assets in foreign securities.

Investment in Derivatives

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The Scheme may invest up to 50% of its total assets in derivative instruments like Futures, Options, Interest Rate Swaps, Forward Rate Agreements, and such other derivative instruments, which may be permitted by SEBI from time to time. Derivative investments may be undertaken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time. In case the Scheme has investment in foreign securities, then the Scheme may hedge the exchange rate risk on all receivables on these instruments through various derivative products such as forwards, currency futures/ options, etc.

The Scheme aims to aim at maintaining a reasonably diversified portfolio at all times.

Debt Investments

Investment in Debt securities (including securitised debt) and money market instruments will be as per the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations. Investment in debt securities will be guided by credit quality, liquidity, interest rates and their outlook.

Gold

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(10.1) Change in Fundamental Attributes including other changes to HDFC

The Scheme may undertake (i) repo / reverse repo transactions in Corporate Debt Securities; (ii) Credit Default Swaps, (iii) Short and Foreign

Particulars

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The Scheme may invest up to 50% of its total assets in Debt securities (including securitised debt) and money market instruments.

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Investment 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 Fund has to comply with the prescribed disclosure requirements. This may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time. The Scheme may invest up to 50% of its net assets in Derivatives.
In case of Non Resident Indians (NRIs), on unlisted
Particulars Existing Provision Revised Provision (proposed)
recurring
Investors should consult their financial advisers if in doubt about whether the product is suitable for them.
This product is suitable for investors who are seeking*.
Investors understand that their principal will be at
Moderate risk
**In case of Non Resident Indians (NRIs), on unlisted
schemes, long term capital gain will be taxed at 10% without
indexation and foreign currency fluctuation
benefits (plus applicable surcharge and education cess).
^ If total turnover or Gross receipts during the
financial year 2016-17 does not exceed Rs.250
crores as provided by Finance Act, 2018.
Note :
1. On income distribution, if any, made by the Mutual
Fund, additional income tax is payable under section
115R of the Act. For the purpose of determining the
tax payable, the amount of distributed income be
increased to such amount as would, after reduction
of tax from such increased amount, be equal to the
income distributed by the Mutual Fund. The impact
of the same has been reflected above.
^plus surcharge at the rate of 12% and 4% Cess.
^ Surcharge rates are as under:
- In case of Corporate Assesses:
i. Where the taxable income exceeds Rs. 1 crore
but less than Rs. 10 Crores- At the rate of 7%
(Marginal Relief in Surcharge, if applicable).
ii. Where the taxable income exceeds Rs. 10
crore- At the rate of 12% (Marginal Relief in
Surcharge, if applicable)
- In case of Non- Corporate Assesses:
i. for individuals, HUF, association of persons,
body of individuals and artificial juridical
person, surcharge at 10% where income
exceeds Rs. 50 lakhs but does not exceed Rs.
1 crore and surcharge at 15% where income
exceeds Rs. 1 crore is applicable.
ii. for firm, co-operative society and local
authority, surcharge at 12% is applicable where
income exceeds Rs. 1 crore.
^ Finance Act, 2018 has provided that the Health
and Education Cess shall be applicable at 4%
instead of “Education Cess at the rate of 2% and
Secondary and Higher Education Cess at 1%” on
aggregate of base tax and surcharge.
^^The information given herein is as per the
rules/ tax laws may change and there can be no
benefits (plus applicable surcharge and education
cess).
The Scheme may undertake (i) repo / reverse repo transactions in Corporate Debt Securities; (ii) Credit Default Swaps, (iii) Short
Selling and such other transactions in accordance with guidelines issued by SEBI from time to time.

Apart from above, all other features and terms & conditions of the Scheme shall remain unchanged.

Further details with respect to (a) investment in REITs (Real Estate Investment Trusts) and InvITs (Infrastructure Investment Trusts) and (b) strategies for Investment in Derivatives as per derivative strategy of the above mentioned revised Scheme(s), as applicable are provided in the separate communication being sent to existing Unit holder(s) of the concerned Scheme(s) in this behalf.

IV. Exit option to the Unit holders:

Some of the proposed changes are changes in the fundamental attributes of the respective Scheme(s). As per Regulation 18(15A) of the
SEBI (Mutual Funds) Regulations, 1996 (“MF Regulations”), changes in fundamental attributes can be carried out only after the Unit
holders of the schemes concerned have been informed of the change via written communication and an option to exit the scheme(s) within
a period of 30 days at the prevailing NAV without any exit load is provided to them.

Thus, in accordance with the MF Regulations, existing Unit holders of the respective Schemes i.e. those unit holders / investors whose
valid applications have been received by the Fund till 3:00 p.m. on April 13, 2018, are provided with an option to exit at the prevailing
NAV without any exit load, for a period of 30 (thirty) days from April 23, 2018 to May 22, 2018 (upto 3:00 p.m. on May 22, 2018)
(both days inclusive) ("Exit Option Period"), if they do not wish to stay invested in the concerned Scheme(s) pursuant to changes to the
Scheme ("Exit Option"). However, Unit holder(s) of HDFC TaxSaver shall not be entitled to exercise exit option during the said
Exit Option period for the units which are held under lock-in as per the ELSS Guidelines. Unit holder(s) of HDFC Children’s Gift
Fund, whose units are under lock-in as per the provisions of the Scheme, may also exercise the Exit Option through their Parent
/Legal Guardian.

The Exit Option can be exercised during the Exit Option Period by submitting redemption / switch-out request at the any Official Point
of Acceptance of the Fund as indicated in the letter sent to each Unit holder ("Exit Option Letter"). For list of Official Points of Acceptance,
please visit our website www.hdfcfund.com . In case any existing Unit holder has not received an Exit Option Letter, they are advised
to contact any of the Investor Service Centres of HDFC Asset Management Company Limited (“HDFC AMC”).

Unit holders should procure a release of their pledges/vacate the lien prior to applying for redemption/switch-out during the Exit Option
Period. In case units have been frozen / locked pursuant to an order of a government authority or a court, such exit option can be executed
only after the freeze / lock order is vacated / revoked within the period specified above.

Unit holders should ensure that any change in address or bank mandate are updated in the Fund’s records before exercising the Exit
Option. Whereas, Unit holders holding Units in dematerialized form may approach their Depository Participant for such changes.

The redemption proceeds (net of applicable taxes, if any) will be remitted/dispatched to the Unit holders within 10 (ten) working days
from the date of receipt of the redemption request.

Securities Transaction Tax (STT) on redemption / switch-out of units, if any, exercised during the Exit Option Period shall be borne by
HDFC AMC. Redemption / Switch-out by the Unit holders due to change in the fundamental attribute of the respective Schemes or due
to any other reasons may entail tax consequences. In view of the individual nature of financial and tax implications, each Unit holder
is advised to consult his or her own tax advisors/financial advisors.

Unit holders may note that no action is required in case they are in agreement with the aforesaid changes, which shall be deemed as consent
being given by the Unit holders for the proposed changes. This offer to exit is merely an option and not compulsory. We would like
the Unit holders to remain invested in the Scheme(s).

In case you require any further information / assistance please contact us by dialling the toll-free number 1800 3010 6767 / 1800419 7676
or visit our website www.hdfcfund.com . In case any existing Unit holder has not received an Exit Option Letter, they are advised
to consult his or her own tax advisors/financial advisors.

This addendum shall form an integral part of the SID/KIM of the aforesaid Scheme(s) and the Statement of Additional Information
of the Fund as amended from time to time.

This Addendum is dated April 12, 2018.

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