

## LETTER TO UNITHOLDERS

Date : October 14, 2022

Dear Unitholder,

### **Sub: Proposed merger of HSBC Infrastructure Equity Fund with L&T Infrastructure Fund and other related changes**

We are pleased to inform you that HSBC Securities and Capital Markets (India) Private Limited ("HSCI"), the sponsor of the HSBC Mutual Fund, HSBC Asset Management (India) Private Limited (the "HSBC AMC"), the asset management company of the HSBC Mutual Fund and the Board of Trustees of the HSBC Mutual Fund (the "HSBC Trustees") and L&T Investment Management Limited (the "L&T AMC"), L&T Mutual Fund Trustee Limited (the "L&T Trustee"), that are the existing asset management company and trustee company of L&T Mutual Fund, respectively and L&T Finance Holdings Limited (the "Seller"), the existing sponsor of the L&T Mutual Fund have entered into a transfer agreement dated 23 December 2021 (the "Agreement") which, inter alia, provides for: (i) a change in the sponsorship, trusteeship, management and administration of the schemes of L&T Mutual Fund ("L&T MF Schemes") whereby HSCI will become the sponsor of the L&T MF Schemes, HSBC Trustees will become the trustee of the L&T MF Schemes and HSBC AMC will have the rights to manage, operate and administer the L&T MF Schemes, amongst other changes related to L&T MF Schemes (including the changes to the fundamental attributes to L&T MF Schemes), which will be considered to be an integral part of the HSBC Mutual Fund; (ii) merger/consolidation of identified L&T MF Schemes with identified schemes of HSBC Mutual Fund ("HSBC MF Schemes") or vice-versa; and (iii) the acquisition of the entire share capital of L&T Investment Management Limited by HSBC AMC and its nominees from L&T Finance Holdings Limited and its nominees (collectively, the "Proposed Transaction").

### **1. Brief Background of the Proposed Transaction**

L&T Mutual Fund presently has 29 schemes in operation and pursuant to the Agreement, it is intended that:

- (i) L&T MF Schemes will be transferred to HSBC Mutual Fund and shall form part of HSBC Mutual Fund, and identified L&T MF Schemes shall be merged/consolidated with identified HSBC MF Schemes or vice versa, and the surviving schemes shall form an integral part of the HSBC Mutual Fund;
- (ii) HSBC Trustees will assume the trusteeship of the L&T MF Schemes from the L&T Trustee and the asset management company of the L&T MF Schemes will be changed from L&T AMC to HSBC AMC;
- (iii) the Seller shall cease to be the sponsor of the L&T MF Schemes and HSCI will become the sponsor of the L&T MF Schemes; and
- (iv) HSBC AMC will, along with its nominees, acquire the entire share capital of L&T AMC from the Seller and its nominees.

Post successful completion of the Proposed Transaction ("Completion"), it is intended that the mutual fund registration granted to L&T Mutual Fund enabling it to act as a mutual fund shall be surrendered and approval granted to L&T AMC to act as the asset management company of L&T Mutual Fund shall be withdrawn by way of a separate application to the Securities and Exchange Board of India ("SEBI") for cancellation. Consequently, L&T AMC will exit the Indian domestic mutual fund asset management business.

We are pleased to inform you that SEBI vide its letters no. SEBI/HO/IMD/IMD RAC2/P/OW/2022/51917/1 dated October 11, 2022 and SEBI/HO/IMD/IMD RAC2/P/OW/2022/52480/1 dated October 14, 2022 (the "SEBI Letter") has conveyed its no objection/approval to the Proposed Transaction and the amendments proposed to the trust deed of the HSBC Mutual Fund (more particularly set out in paragraph 4 below) as required under the SEBI (Mutual Funds) Regulations, 1996 (the "MF Regulations"). Further, the Proposed Transaction has also been approved by the HSBC Trustees and the respective board of directors of the HSBC AMC, the L&T AMC and the L&T Trustee.

This letter serves as a written communication to the unitholders of the HSBC Infrastructure Equity Fund about the procedure that will be followed, including for the approvals being sought from the unitholders of the HSBC Infrastructure Equity Fund, leading up to the Proposed Transaction and other related changes. As a unitholder of the HSBC Infrastructure Equity Fund, you are urged to go through this communication carefully and consult your advisors in the event you have any questions. Please also do not hesitate to contact any of our offices at the addresses mentioned in **Exhibit 1** hereto if you have any question with respect to this letter. You may also reach us by dialing the toll-free numbers 1800 200 2434 / 1800-258-2434 or +91 44 39923900 (in case of unitholders calling from abroad).

### **2. Expected Benefits of the Proposed Transaction**

Broadly, the Proposed Transaction is expected to result in the following benefits:

- a) L&T Mutual Fund is an established mutual fund in India with an AUM of approximately INR 72,322.38 Crores for the month ended September 30, 2022. The Seller established its presence in the mutual funds industry through the acquisition of the mutual fund business of DBS Chola Mutual Fund in 2010 and Fidelity Mutual Fund in 2012. The Seller has demonstrated its ability to successfully integrate and grow acquired mutual fund portfolios. Since its acquisition of the mutual fund businesses of DBS Chola Mutual Fund and Fidelity Mutual Fund, the average AUM of L&T Mutual Fund has increased from approximately INR 2,520 crores (for the month of January 2010 for the erstwhile DBS Chola Mutual Fund) to approximately INR 72,322.38 Crores for the month ended September 30, 2022 (Source: AMFI).
- b) The Proposed Transaction will help HSBC to increase foothold in the mutual fund industry in the near future and HSBC is committed to growth. The proposed sale of L&T Mutual Fund to HSBC Mutual Fund will increase the scale and resources of the entity and deliver a strong value proposition to all unitholders. The strength of the HSBC global brand and its strong track record in the area of investor care is expected to help enhance the investor experience of all unit holders.
- c) HSBC AMC has a long track record and has delivered reasonable return to its unitholders.
- d) The merger of HSBC MF Schemes and L&T MF Schemes would allow HSBC AMC and HSBC Trustees to avoid the existence of similar schemes in HSBC Mutual Fund and enable optimum utilization of resources and to present to the unitholders, a simplified range of schemes in the interest of the unitholders. It is in the interest of the unitholders that the HSBC Trustees and the board of directors of HSBC AMC have decided to merge some of their schemes with those of the schemes of L&T AMC or vice versa.

### **3. Proposal**

We would like to inform you that as part of the Proposed Transaction:

- a) the trust deed dated 7 February 2002 constituting the HSBC Mutual Fund and appointing the HSBC Trustees (the "HSBC Trust Deed") is required to be amended; and
- b) merger of **HSBC Infrastructure Equity Fund** and **L&T Infrastructure Fund** ("Merger of the Schemes") will be undertaken (as described below in paragraph 5).

By this letter, we seek to provide you with further information for each of the above-mentioned steps in the manner described in this letter hereinafter.

#### 4. Approval for proposed amendments to the HSBC Trust Deed

In order to give effect to the Proposed Transaction, the HSBC Trust Deed will have to be amended to, inter alia, authorise the HSBC Trustees to transfer the schemes of another mutual fund to the HSBC Mutual Fund, merge such schemes with the existing schemes of the HSBC Mutual Fund or vice-versa, such that they form part of HSBC Mutual Fund, and authorize the HSBC Trustees to assume trusteeship of such schemes (i.e. clause 2.7 of the draft deed of amendment related to insertion of a new clause "7A Transfer/Merger/ Consolidation of schemes by the Trustees") and also undertake certain other amendments necessary for operational convenience (i.e. all clauses other than clause 2.7 of the draft deed of amendment). Such amendments are proposed to be effected by way of a deed of amendment to the HSBC Trust Deed (in terms of the draft attached herewith as **Exhibit 2**). In terms of the SEBI Letter, SEBI has confirmed its no objection to the proposed amendments to the HSBC Trust Deed. A copy of the HSBC Trust Deed is available at the registered office of the HSBC AMC at 9-11 Floors, NESCO IT Park, Building no.3, Western Express Highway, Goregaon (East), Mumbai, Maharashtra, India – 400063, should you wish to review the same.

In terms of the MF Regulations and the HSBC Trust Deed, we solicit your votes through postal/electronic ballot for approval of the proposed amendments related to the operational convenience to the HSBC Trust Deed (i.e. amendment related to all clauses, other than clause 2.7 of the draft deed of amendment). As per clause 17 of schedule 3 of MF Regulations, amendment stated in clause 2.7 of the draft deed of amendment related to insertion of new clause "7A Transfer/Merger/ Consolidation of schemes by the Trustees" does not require approval from unitholders.

##### Terms of Voting:

- All unitholders of the schemes of the HSBC Mutual Fund, as per the records of the registrar in respect of the HSBC MF Schemes, Computer Age Management Services Ltd. ("**Registrar**"), as at the close of business hours on October 15, 2022, will be entitled to vote in respect of the proposed amendments under reference by following the procedure laid down below.
- In case of postal ballot, the unitholders may use the business reply inland enclosed with this letter. Please note that the unitholders shall not have to bear the postal charges for mailing the same.
- Where email ID is available, a communication will be sent on the registered email ID to facilitate electronic mode of ballot.
- Each unitholder will be entitled to one vote for every unit held on the aforesaid date in respect of the proposed amendments to be passed. Any fractional holding (i.e., holding of less than 1 unit) in this regard will be ignored. The voting rights of joint unitholders in a folio/client ID will be considered as a single voting right.

##### Procedure for voting and determining results of the ballot:

- (a) You are requested to fill and sign the Ballot Paper (enclosed with this notice as **Exhibit 3**), clearly indicating your assent or dissent. (Please note that in case of mode of holding is "Joint" or "Anyone or Survivor" basis, the first named unitholder will sign the Ballot Paper).
- (b) You are requested to mail the duly signed and filled-up Ballot Paper as above, such that the Ballot Paper reaches the Registrar not later than the close of business hours on November 21, 2022 at the following address:

##### **Computer Age Management Services Ltd.**

Rayala Tower -1, 158 Anna Salai, Chennai – 600 002

Please note that you will not have to bear any postal charges for mailing the Ballot Paper to the Registrar of HSBC Mutual Fund. If you choose to send the duly signed and filled-up Ballot Paper by courier or by other means at your expense, you are requested to superscribe the envelope containing the Ballot Paper with, "**HSBC Mutual Fund – Ballot**" and send it to the above mentioned address of the Registrar.

- (c) If you require a fresh Ballot Paper, you are requested to contact the Registrar at the above address or visit investor service centres of HSBC AMC as mentioned in **Exhibit 1**.
- (d) In case of electronic ballot, you are requested to provide your consent through the link provided in the e-mail communication.
- (e) All duly signed and filled-up Ballot Papers, received by the Registrar upto the close of business hours on November 21, 2022 will be accepted and considered valid for the purpose of determining the results of ballot.
- (f) The Registrar will conduct and control the exercise of the postal ballot and all valid ballot papers will be counted by the Registrar under the supervision of an authorised official of HSBC AMC or, if considered necessary by the HSBC Trustees, an independent scrutinizer appointed by the HSBC Trustees.
- (g) If more than 50% of the total valid votes received are in favour of the proposed amendments, it will stand approved and will be binding on the unitholders of all schemes of HSBC Mutual Fund. **You are requested to note that if you do not send the signed and duly filled in Ballot Paper so as to reach the Registrar on or before close of business hours on November 21, 2022, it will be treated as your consent for the proposed amendment of the HSBC Trust Deed.** Further, unitholders to note that if no valid vote is received by the Registrar on or before close of business hours on November 21, 2022, then it will be deemed that none of the unitholders of the schemes of HSBC Mutual Fund have any objection to the proposed amendment of the HSBC Trust Deed and the said amendments would stand approved and be binding on the unitholders of all schemes of HSBC Mutual Fund.

You will be intimated the results of the postal/electronic ballot by way of a notice/advertisement in a newspaper.

#### 5. Merger of the Schemes

As mentioned above, the Proposed Transaction contemplates undertaking Merger of the Schemes. The rationale being that on Completion, the HSBC Mutual Fund will have in its product suite, schemes that are similar in nature to the L&T MF Schemes. Therefore, in order to: (i) avoid the existence of two similar schemes; (ii) enable optimum utilization of resources; (iii) present to the unitholders a simplified range of schemes; and (iv) comply with SEBI's scheme categorization circulars issued pursuant to the MF Regulations, it is proposed, in the interest of unitholders, to carry out certain changes to the L&T MF Schemes by implementing changes in their fundamental attributes and by merging identified L&T MF Schemes with identified HSBC MF Schemes or vice-versa, as well as implementing changes in the fundamental attributes of identified HSBC MF Schemes.

The HSBC Infrastructure Equity Fund and L&T Infrastructure Fund will be merged/consolidated along with changes to their fundamental attributes, wherein the scheme to be merged is referred to as the "**Transferor Scheme**", the scheme into which it will be merged is referred to as the "**Transferee Scheme**" and the new name of the Transferee Scheme is referred to as the "**Surviving Scheme**".

| Name of L&T MF Scheme or HSBC MF Scheme proposed to be merged (the " <b>Transferor Scheme</b> ") | Name of HSBC MF Scheme or L&T MF Scheme with which Transferor Scheme is proposed to be merged (the " <b>Transferee Scheme</b> ") | Proposed New Name of the Transferee Scheme (the " <b>Surviving Scheme</b> ") |
|--|--|--|
| HSBC Infrastructure Equity Fund  | L&T Infrastructure Fund  | HSBC Infrastructure Fund   |

Please refer to the Notice dated October 14, 2022 for the details relating to merger of other L&T MF Schemes and HSBC MF Schemes, changes to fundamental attributes of other HSBC MF Schemes and other changes to L&T MF Schemes and HSBC MF Schemes.

For your better understanding, an illustration regarding the basis of allotment of new units is given below.

##### Example:

The Transferor Scheme will cease to exist post business hours on the Effective Date. The unitholders of the Transferor Scheme as at the close of business hours on this date will be allotted units, equivalent to the value of their units in the Transferor Scheme under the corresponding option of the Surviving Scheme at the NAV of this day.

|   |   |          |
|---|---|----------|
| NAV of Transferor Scheme – Growth Option prior to merger (Rs. per unit)       | a | 20.00    |
| Units held in Transferor Scheme prior to merger                               | b | 100.00   |
| Investment Value in Transferor Scheme prior to merger (c = a*b) (Rs.)         | c | 2,000.00 |
| NAV of Transferee Scheme – Growth Option on the date of merger (Rs. per unit) | d | 15.00    |
| Number of units allotted in Transferee Scheme on the date of merger (e = c/d) | e | 133.3333 |
| Investment Value in Transferee Scheme – Growth, post-merger (f = d*e) (Rs.)   | f | 2,000.00 |

Please note that the aforesaid is only an illustration and the actual number of units to be allotted under the Surviving Scheme will be determined by the value of units held in the Transferor Scheme and the NAVs of the Transferor Scheme and the Transferee Scheme on the Effective Date. The impact of tax on capital gains and levy of stamp duty charges, if any, has not been considered in the above illustration.

The details of the proposed changes pursuant to the Merger of the Schemes will be updated at the relevant provisions of the scheme information document and key information memorandum. All other terms and conditions of the scheme information document, key information memorandum and the statement of additional information will remain unchanged. Please note that post the Merger of the Schemes, the investment objective, investment pattern, and all the other provisions of the Surviving Scheme as contained in scheme information document and key information memorandum on the Effective Date (*as defined in Paragraph 7 below*) will be effective for the unitholders of the Surviving Scheme.

The detailed information relating to Merger of the Schemes is set out in **Exhibit 4** hereto for your reference.

The additional information and disclosures required relating to the Transferor Scheme and the Transferee Scheme/Surviving Scheme (as applicable) which will facilitate your decision-making in compliance with the SEBI circular no. SEBI/MFD/CIR/05/12031/03 dated 23 June 2003 are set out in **Exhibit 5** hereto for your reference. Unitholders should note and be assured that the Surviving Scheme will at all times be managed in the best interests of all unitholders.

## **6. Exit Option for Merger of the Schemes**

This is to inform you, in accordance with the requirements under the MF Regulations, about the proposed Merger of the Schemes which will take effect from Effective Date, in connection with the Proposed Transaction.

The HSBC Trustees and the board of directors of HSBC AMC, have each approved the Merger of the Schemes by their respective resolutions dated 21 January 2022, and L&T Trustee and L&T AMC have each approved the Merger of the Schemes by their resolutions dated 12 January 2022 and 29 January 2022 and 12 January 2022 and 27 January 2022, respectively. SEBI has also vide the SEBI Letter confirmed its no objection to the Merger of the Schemes. Please refer to **Exhibit 4** hereto for details of the proposed Merger of the Schemes.

As per Regulation 18(15A) of the MF Regulations, changes in fundamental attributes can be carried out only after the unitholders of the concerned scheme have been informed of the change by way of a written communication and an option to exit the scheme within a period of at least 30 (thirty) days at the prevailing net asset value ("**NAV**") without any exit load is provided to them.

Therefore, in accordance with the MF Regulations, the Merger of the Schemes are considered as changes in the fundamental attributes of the HSBC Infrastructure Equity Fund. Accordingly, this letter serves as a written communication to the unitholders of the Merger of the Schemes as set out in paragraph 5 above (the "**Relevant Unitholders**") and the Relevant Unitholders who do not agree to the Merger of the Schemes are given an option to exit without any exit load.

Please refer to the Notice dated October 14, 2022 for the scheme wise merger and also the scheme related information published on the website <https://www.assetmanagement.hsbc.co.in/en/mutual-funds>.

The Relevant Unitholders who do not consent to the Merger of the Schemes (as set out in paragraph 5), are provided an option to exit their investment from the HSBC Infrastructure Equity Fund at the prevailing NAV without any exit load (the "**Exit Option**"), for a period of at least 30 (thirty) days from October 21, 2022 to November 21, 2022 (both days inclusive) (the "**Exit Option Period**"), if they do not wish to be invested in the HSBC Infrastructure Equity Fund following Completion. However, for investments made during the Exit Option Period, there will be no waiver of exit load. The NAV applicable, for the Relevant Unitholders who choose to exercise the Exit Option would be based on the date/time of receipt of redemption/switch request during business hours on a business day.

The Exit Option can be exercised from October 21, 2022 to November 21, 2022 (both days inclusive and up to 3.00 pm on November 21, 2022), by submitting the redemption/switch request (as set out in **Exhibit 6** hereto) at any of the HSBC AMC/Registrar's branches or through electronic modes such as HSBC Mutual Fund's website (<https://invest.assetmanagement.hsbc.co.in>) or website of the Registrar (<https://www.camsonline.com>). Additionally, website/mobile application of MFUI shall be eligible to be considered as 'official points of acceptance' for all financial and non-financial transactions in the schemes of HSBC Mutual Fund electronically. For further information, kindly refer to the website of MFUI (<https://www.mfuindia.com/>).

However, the Exit Option will not be available to those Relevant Unitholders who have pledged/encumbered their units and on which the HSBC Mutual Fund has marked a pledge/lien unless the release of pledge/encumbrance is obtained prior to the expiry of the Exit Option Period and communicated to the HSBC AMC/Registrar's branches before applying for redemption/switch. In case units have been frozen/locked pursuant to an order of a government authority or a court or pursuant to a regulatory requirement, such Exit Option can be executed only after the freeze/lock order is vacated and on receipt of valid redemption request from those Relevant Unitholders who choose to exercise their Exit Option.

For units held in dematerialised mode, the redemption/switch request will have to be submitted to the respective Depository Participant by the Relevant Unitholder. It is mandatory to update Know Your Customer (KYC)/PAN in the folio for processing of transactions, therefore, the Relevant Unitholders are requested to ensure that PAN and other KYC details is updated in the folio at the time of exercising the Exit Option. The KYC forms are available on the HSBC Mutual Fund's website (<https://www.assetmanagement.hsbc.co.in/en/mutual-funds>).

The redemption proceeds will be remitted/dispatched to the Relevant Unitholders within 10 (ten) business days from the date of receipt of the redemption request.

The Relevant Unitholders who have registered for Systematic Investment Plan ("**SIP**")/Systematic Withdrawal Plan ("**SWP**")/Systematic Transfer Plan ("**STP**") in the HSBC Infrastructure Equity Fund and who do not wish to continue their future investments/installment in the respective schemes are required to provide a written request to the HSBC Mutual Fund and it will take at least 21 calendar days to process such requests. Intervening installments will continue to be processed.

The Relevant Unitholders should ensure that change in address/pay-out bank details, if any required by them, are updated in HSBC Mutual Fund's records before exercising the Exit Option. The Relevant Unitholders holding units in dematerialised form may approach their depository participant for such changes.

In accordance with Notice-cum-Addendum dated 14 February 2020 on process for investment made in the name of a minor through a guardian, unitholders are requested to review the bank account registered in the folio and ensure that, at the time of exercising the Exit Option, the registered bank mandate is in the name of the minor or minor jointly with registered guardian in the folio. In case this requirement is not complied with, redemption payout shall not be processed till the time bank account details are updated as above.

**The Relevant Unitholders having no objection to the proposed Merger of the Schemes and wishing to remain invested in the HSBC Infrastructure Equity Fund (which will merge into the Surviving Scheme as set out in paragraph 5) after completion of the Merger of the Schemes need not take any further action. The Relevant Unitholders may note that the offer to exit is merely an option and not compulsory. We would like the Relevant Unitholders to remain invested in the HSBC Infrastructure Equity Fund (which will merge into the Surviving Scheme).**

The Relevant Unitholders who do not exercise their option to exit their investment from the HSBC Infrastructure Equity Fund (in accordance with the procedure set out here) will be deemed to have consented to the Merger of the Schemes, and shall continue with their respective rights and privileges under the Surviving Scheme.

It is hereby clarified that none of the consideration or expenses related to the Proposed Transaction will be charged to the mutual fund schemes operated by HSBC AMC or to the corresponding unitholders.

## **7. Effective Date of Merger of the Schemes**

The Merger of the Schemes are subject to Completion and will come into effect from the close of business hours on the date of Completion ("**Effective Date**").

Prior to the date of Completion, the HSBC AMC will issue a public notice informing the unitholders of the HSBC MF Schemes about the Completion and the Effective Date. Similarly, L&T AMC will also issue a public notice informing its unitholders about the Completion and the Effective Date.

## **8. Consequences of Merger of the Schemes**

As a result of the Merger of the Schemes, no new scheme will come into effect. On the Effective Date, the Transferor Scheme will cease to exist and the unitholders of the Transferor Scheme as on the Effective Date will be allotted units under the plans/options of the Surviving Scheme as stated below at the applicable NAV as on the close of business hours on the Effective Date. In case of any pledge or lien or other encumbrance marked on any units in the Transferor Scheme, it shall be marked on the corresponding number of units allotted in the Surviving Scheme.

The units of Growth option and IDCW option under Regular/Direct plans of HSBC Infrastructure Equity Fund shall be transferred to the respective Growth and IDCW options under Regular/Direct plans of L&T Infrastructure Fund.

| Holding in Option & Sub-Option under the Transferor Scheme:<br>HSBC Infrastructure Equity Fund | Allocation in Option & Sub-Option under Transferee Scheme/<br>Surviving Scheme | Applicable NAV of Transferee Scheme for allotment of units on merger | IDCW Policy of Surviving Scheme |
|--|--|--|---------------------------------|
| Growth   | Growth   | Growth   | N.A.                            |
| IDCW Reinvestment  | IDCW Reinvestment  | IDCW   | As decided by Trustees          |
| IDCW Payout  | IDCW Payout  | IDCW   | As decided by Trustees          |

The Effective Date shall be considered as the merger date of the Transferor Scheme and the Transferee Scheme.

A fresh account statement reflecting the new units allotted under the Surviving Scheme will be sent to the unitholders of the Transferor Scheme. Accordingly, all provisions under the scheme documents of the Surviving Scheme will apply including the provisions on exit load. The period of holding for the purpose of exit load will be computed from the date of allotment of such units in such Transferor Scheme.

The requirement of PAN/KYC and minimum application amount for fresh and additional purchase of units as applicable for the Surviving Scheme, shall not be applicable in respect of units allotted to the unitholders of the Transferor Scheme on account of the Merger of the Schemes.

SIP/SWP/STP registered in the Transferor Scheme will continue under the Surviving Scheme, subsequent to the Merger of the Schemes. Unitholders who do not wish to continue the SIP/SWP/STP in the Surviving Scheme will be permitted to apply for cancellation of their SIP/SWP/STP registration. HSBC AMC believes that the Merger of the Schemes will add value to the unitholders and HSBC AMC is looking forward to your continued investment.

## 9. Tax Implications of Merger of the Schemes

There should not be any income-tax implications due to the Merger of the Schemes (as described in paragraph 5 of this letter) in the hands of unitholders since merger/consolidation of mutual fund schemes is considered as a tax neutral event. Transfer of units upon consolidation of mutual fund schemes of two or more schemes of equity-oriented fund or two or more schemes of a mutual fund other than equity oriented fund in accordance with the MF Regulations is exempt from capital gains i.e., any transfer of units of consolidating scheme of a mutual fund, made in consideration of the allotment of the units of the consolidated scheme by the unitholder is not considered as "transfer" by virtue of the provisions of Section 47(xviii) of the Income-tax Act, 1961 (the "IT Act") and hence the gains on such transfer should not be chargeable to tax.

For any redemption/switch transactions post the Merger of the Schemes (as described in paragraph 5 of this letter), the following points are relevant for taxation (held as capital asset):

- For the purpose of classifying the units of consolidated scheme into long term or short term, the period of holding of units acquired in the consolidation of schemes of mutual fund shall include the period for which units in consolidating schemes were held by the unitholder in terms of the provisions of Section 2(42A) of the IT Act.
- Further, Section 49(2AD) of the IT Act provides that the cost of acquisition of the units acquired in the consolidated scheme of mutual fund (in consideration of allotment of units of consolidating scheme) shall be deemed to be the cost of acquisition of the units in the consolidating scheme of mutual fund.

However, redemption and/or switch of units from the HSBC Infrastructure Equity Fund during the Exit Option Period shall be considered as redemption and will result in short term/long term capital gain/loss in the hands of the unitholders depending on the period of holding of the investment.

In case of NRI unitholders, TDS would be deducted in accordance with applicable tax laws for redemption/switch-out of units from the HSBC Infrastructure Equity Fund during the Exit Option Period and same would be required to be borne by such unitholder only.

Securities Transaction Tax ("STT") on redemption/switch-out of units, if any, exercised during the Exit Option Period in HSBC Infrastructure Equity Fund shall be borne by HSBC AMC.

Stamp duty shall not be levied on the units allotted under the Surviving Scheme, upon the Merger of the Schemes.

STT on extinguishment of units (if applicable) under the HSBC Infrastructure Equity Fund and allotment under the Surviving Scheme upon the Merger of the Schemes (as described in paragraph 5 of this letter), would not be levied to the unitholders.

In view of the individual nature of tax consequences, unitholders are advised to consult the professional financial/tax advisors with regard to tax and other financial implications arising out of their participation in Merger of the Schemes.

## 10. RESTRICTIONS UNDER SCHEME INFORMATION DOCUMENTS OF HSBC MF SCHEMES

As per the Scheme Information Documents of HSBC MF Schemes, HSBC AMC does not allow the following persons/entities to invest in any of its schemes:

- United States Person as defined under the Laws of the United States of America, including, without limitation, the rules and regulations promulgated by the U.S. Securities and Exchange Commission and the U.S. Commodity Futures Trading Commission; or is a person who has elected to be treated as a US tax resident for US federal income tax purposes; and
- Persons residing in Canada.

In accordance with this, with effect from the Effective Date, HSBC AMC shall not accept any transactions requests (other than non-financial transactions and redemptions) from above-stated categories of unitholders of L&T Infrastructure Fund. Please note that there shall be no restriction for such categories of unitholders from redeeming their investments.

## 11. UNCLAIMED DIVIDENDS AND REDEMPTIONS

The details of the unclaimed dividend and redemption amounts in the HSBC Infrastructure Equity Fund as on 30 September, 2022 is set out below.

| Scheme Name                     | Unclaimed Dividend (as on 30-September-2022) |                     | Unclaimed Redemption (as on 30-September-2022) |                     |
|---------------------------------|--|---------------------|--|---------------------|
|                                 | Count of Folio No.                           | Sum of AUM (in INR) | Count of Folio No.                             | Sum of AUM (in INR) |
| HSBC Infrastructure Equity Fund | 243  | 935,170.00          | 325  | 6,999,186.13        |

*Procedure for claiming unclaimed redemption/dividend amounts by unitholders*

The request for reissue/revalidation of instruments towards unclaimed redemption/dividend should be made by the unitholder to the Registrar or the offices of HSBC AMC (at the addresses mentioned in **Exhibit 1** hereto), quoting folio number, scheme name and details of payments not received. This will be verified with the records and fresh instruments will be issued/revalidation will be done for those cases which are unclaimed.

To know the details of unclaimed amounts lying in the folio, unitholders can visit the website of HSBC AMC (<https://www.assetmanagement.hsbc.co.in/en/mutual-funds/investor-resources/information-library/unclaimed-redemption>).

## 12. CONTACT INFORMATION

This letter has been issued only to the unitholders of HSBC Infrastructure Equity Fund who hold units as per the latest details available in the Registrar's records.

In case you require any further information/assistance, please contact us by dialing the toll-free number 1800 200 2434/1800-258-2434 or visit the nearest Investor Service Centres (the details of which are provided in **Exhibit 1** hereto) or alternatively, email us at [hsbcmf@camsonline.com](mailto:hsbcmf@camsonline.com). Unitholders calling from abroad may call on +91 44 39923900 to connect to our customer care centre.

We look forward to having your continued support and patronage and thank you for investing with us.

For HSBC Asset Management (India) Private Limited  
(Investment Manager for HSBC Mutual Fund)



Ravi Menon  
Chief Executive Officer

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**

## EXHIBIT 1

### CONTACT DETAILS OF THE INVESTOR SERVICE CENTERS OF HSBC MUTUAL FUND

**Set out below are the contact details of the Investor Service Centres:**

|            |   |
|------------|---|
| Ahmedabad  | : Mardia Plaza, CG. Road, Ahmedabad - 380 006;  |
| Bengaluru  | : No. 7, HSBC Centre, M.G. Road, Bengaluru - 560 001;                                 |
| Chandigarh | : SCO1, Sector 9D, Chandigarh-160 017;  |
| Chennai    | : No. 13, Rajaji Salai, 2nd Floor, Chennai -600 001;                                  |
| Hyderabad  | : 6-3-1107 &1108, Rajbhavan Road, Somajiguda, Hyderabad- 500 082;                     |
| Kolkata    | : 31 BBD Bagh, Dalhousie Square, Kolkata - 700 001;                                   |
| Mumbai     | : 52/60, M. G. Road, Fort, Mumbai - 400 001;  |
| New Delhi  | : Ground Floor, East Tower, BirlaTower, 25, Barakhamba Road, New Delhi – 110 001; and |
| Pune       | : Amar Avinash Corporate City, Sector No. 11, Bund Garden Road, Pune - 411 011.       |

For any queries, unitholders can reach out to us through email at [hsbcmf@camsonline.com](mailto:hsbcmf@camsonline.com) or call us at 1800 200 2434 / 1800-258-2434 (Toll Free) or +91 44 39923900 (unitholders calling from abroad).

**CAMS official point of acceptance:** Kindly visit [www.camsonline.com](http://www.camsonline.com) to know the details of the nearest CAMS investor Service Centre.



## EXHIBIT 2

### DRAFT DEED OF AMENDMENT TO THE HSBC TRUST DEED

THIS Deed of Amendment ("Deed") dated \_\_\_\_\_ ("Effective Date") (to the Indenture of Trust dated February 7, 2002), is made and entered into by and amongst:

1. **HSBC Securities and Capital Markets (India) Private Limited**, a company incorporated under the Companies Act, 1956 with its registered office at 52/60 Mahatma Gandhi Road, Fort, Mumbai 400 001, hereinafter referred to as the **"Sponsor"** (which expression shall where the context so requires include its successors in business and assigns) of the **FIRST PART**; and
2. (A) Ms. Jasmine Batliwalla residing at 15, Bhaweshwar Darshan, 31- D, Pedder Road, Mumbai - 400026; (B) Ms. Ho Wai Fun residing at Flat F, 18/F Block 3, Wai Wah Centre, Shatin, New Territories, Hong Kong.; (C) Mr. Nani Javeri residing at Flat 9, Ivorine 154, M. Karve Road, Mumbai – 4000 20; and (D) Dr. T. C. Nair residing at Flat No. 201, Preeti CHS, Kanti Nagar, Off J B Nagar, Andheri (East), Mumbai – 4000 69, the current trustees of HSBC Mutual Fund, hereinafter collectively referred to as the **"Trustees"** (which expression shall where the context so requires include their successors in business and assigns or any substitute(s) appointed under the Trust Deed) of the **SECOND PART**.

The Sponsor and the Trustees are hereinafter referred to individually as a **"Party"** and collectively, as the **"Parties"**.

#### WHEREAS:

- A. The Sponsor and the Trustees have entered into an Indenture of Trust dated February 7, 2002 (**"Trust Deed"**) setting out the terms and conditions relating to the administration of HSBC Mutual Fund and the obligation and duties of the Trustees.
- B. The Sponsor and Trustees are under Clause 21.1 of the Trust Deed empowered to amend or modify the Trust Deed with prior approval of the Securities and Exchange Board of India (**"SEBI"**) and unitholders of the schemes floated under the HSBC Mutual Fund.
- C. The Sponsor, AMC and the Trustees have entered into a transfer agreement dated December 23, 2021 with L&T Finance Holdings Limited, L&T Investment Management Limited and L&T Mutual Fund Trustee Limited, pursuant to which the (a) the schemes of L&T Mutual Fund (**"L&T MF Schemes"**) are proposed to be transferred to and will form an integral part of the HSBC Mutual Fund, and certain L&T MF Schemes and schemes of the Mutual Fund are proposed to be merged/consolidated or vice-versa; (b) the sponsorship, administration, trusteeship and management of the L&T MF Schemes will be handed over to the Sponsor, the Trustees and the AMC, as the sponsor, trustee and asset management company, respectively, of HSBC Mutual Fund, registered as such with SEBI; and (c) the AMC (along with its nominees) will acquire the entire share capital of L&T Investment Management Limited, the asset management company of the L&T Mutual Fund (collectively, the **"Proposed Transaction"**).
- D. In light of the Proposed Transaction and for other operational reasons, the Trustees of the HSBC Mutual Fund have in their meeting held on 21 January 2022 and the board of directors of the Sponsor have by way of a circular resolution passed on 30 January 2022, approved certain amendments to the Trust Deed and passed necessary resolutions to that effect.
- E. Pursuant to the approval dated October 11, 2022 granted by SEBI vide its letter no. SEBI/HO/IMD/IMD RAC2/P/OW/2022/51917/1 consent of the majority of the unitholders of the schemes floated under the HSBC Mutual Fund, the Trustees and the Sponsor have agreed to incorporate the changes required to be stated in the Trust Deed by executing this Deed.
- F. It is proposed that the following amendments as set out in this Deed shall be incorporated in the Trust Deed.

#### THIS DEED WITNESSED AS FOLLOWS:

##### 1. INTERPRETATION

- 1.1. Capitalized terms and expressions used herein shall, unless otherwise defined herein, or unless the context otherwise requires, have the meanings ascribed to them in the Trust Deed.
- 1.2. All terms and conditions regarding the interpretation and construction of the Trust Deed shall be deemed to be incorporated herein.
- 1.3. Recitals stated above shall form an operative part of this Deed.

##### 2. AMENDMENTS TO THE TRUST DEED

- 2.1. The definitions of "Asset Management Company" (Clause 1(a)), "Assets" (Clause 1(b)), "Investments" (Clause 1(h)), "SEBI Regulations" (Clause 1(l)), "Unit" (Clause 1(m)) in the Trust Deed shall be amended and read as follows and the definitions of "Initial Contribution" and "Unit Capital" shall be inserted in the Trust Deed as Clauses 1(hA) and 1(mA), respectively :

|  |  |
|--|--|
| (a) "Asset Management Company" or "Investment Manager" | means HSBC Asset Management (India) Private Limited, a company incorporated under the Companies Act, 1956 with its registered office at 9- 11 Floors, NESCO IT Park, Building no. 3, Western Express Highway, Goregaon (East), Mumbai, Maharashtra, India - 400063 and also includes any other asset management company approved as such by SEBI under sub regulation (2) of Regulation 21 of the SEBI Regulations and appointed by the Trustees to operate and manage the functioning of the Mutual Fund. |
| (b) "Assets"   | means the Contribution and Unit Capital and shall include all Investments in which the said contribution and Unit Capital are invested, all additions thereto and any income, interest, dividends and accretions to the above or other benefit arising therefrom and other properties which may be substituted for or added thereto.   |
| (c) "Initial Contribution"                             | means the sum of Rs. 1,00,000 (Rupees One Lakh only) entrusted by the Sponsor to the Trustees on or before the execution of this Instrument as initial contribution towards the corpus of the Mutual Fund.   |
| (d) "Investments"                                      | means any investments, cash, negotiable instruments, securities, bullion or property, as permitted by the SEBI Regulations, for the time being and from time to time forming part of the Mutual Fund's assets and which may be converted or varied from time to time.  |
| (e) "SEBI Regulations"                                 | means the Securities and Exchange Board of India (Mutual Fund) Regulations, 1996, as amended from time to time, rules or regulations thereunder and all applicable circulars, guidelines, notices issued by SEBI and as applicable to the Mutual Fund and/or the Trustees and/or the Investment Manager, as the case may be.   |
| (f) "Unit"   | means the interest of the investors in any scheme of HSBC Mutual Fund, which consists of each unit representing one undivided share in the Assets of that scheme and includes any fraction of a Unit which shall represent the corresponding fraction of one undivided share in the assets of that scheme.   |
| (g) "Unit Capital"                                     | means aggregate of the monies and/or property received from the Unitholders in respect of the scheme(s) of the Mutual Fund launched under and in accordance with the SEBI Regulations of the Mutual Fund.  |

- 2.2. Clause 4.1 of the Trust Deed shall be amended and be read as follows:
- “4.1 The meetings of the Trustees shall be held at least once in every two calendar months and at least six such meetings shall be held every year. The quorum for a meeting of the Trustees shall not be less than one-third of its total strength of the Trustees or two Trustees whichever is higher, provided that at least one independent Trustee is present at the meeting.”
- 2.3. Clause 5.1 of the Trust Deed shall be replaced with and be read as follows:
- “5.1 In case of the Board of Trustees, each independent Trustee shall during the continuance of this Trust and until the Trust hereof is finally wound up and whether or not the Trust is in the course of administration by or under the order or directions of any court, be entitled to receive as and by way of Trustees’ fees for services rendered herein, a sum of INR 60,000 for each meeting of the Board of Trustees attended by such Trustees or such other sum as may be mutually agreed between the Sponsor and the Board of Trustees from time to time, subject to the SEBI Regulations. Provided further that if a body corporate is appointed as Trustee, then such Trustee shall be entitled to receive as and by way of fees for services rendered herein up to 1% of the assets under management of the scheme of the Mutual Fund or such other sum as may be decided by the Trustee from time to time, subject to the SEBI Regulations.
- 2.4. The term “Stock Exchange” appearing in Clause 7.1 shall be replaced with “stock exchange”.
- 2.5. Clause 7.10 of the Trust Deed shall be amended and be read as follows:
- “7.10 pay all costs, charges, expenses and outgoings of and incidental to the administration and execution of the Trust and the management and maintenance of the Assets and all expenses incurred for the same (including remuneration of the Trustees) in accordance with and subject to the limits under SEBI Regulations, that may be stipulated from time to time.”
- 2.6. The term “investments” appearing in Clause 7.19 shall be replaced with “Investment”.
- 2.7. Clause 7A shall be inserted and be read as follows:
- “7A Transfer/Merger/Consolidation of schemes by the Trustees:
- (a) The Trustees may, subject to the approval of SEBI, and in the interest of the Unitholders, transfer the trusteeship together with the full responsibility for the trusteeship, management and administration of any one or more schemes to the trustee and the asset management company of another mutual fund registered under the SEBI Regulations (“**Transferee Mutual Fund**”). Such transfer of trusteeship, management and administration may be effected upon such terms and conditions as may be prescribed by SEBI, and such terms and conditions as may be agreed to by the Trustees and the Asset Management Company with the trustee and the asset management company of the Transferee Mutual Fund. Forthwith upon the completion of such transfer of trusteeship, management and administration of the schemes in the aforesaid manner, the Trustees and the Asset Management Company shall be released of all their future obligations and responsibilities in respect of such transferred schemes.
- (b) The Trustees may, subject to the approval of SEBI, and in the interest of the Unitholders, takeover the trusteeship together with the full responsibility for the trusteeship, management and administration of any one or more schemes from the trustee and the asset management company of another mutual fund registered under the SEBI Regulations (“**Transferor Mutual Fund**”) together with their respective assets and investments and assume liabilities and act as trustee to the said schemes in accordance with the SEBI Regulations. Such takeover of trusteeship, management and administration may be effected upon such terms and conditions as may be prescribed by SEBI, and such terms and conditions as may be agreed to by the Trustees and the Asset Management Company with the trustee and the asset management company of the Transferor Mutual Fund.
- (c) Subject to the SEBI Regulations, the Trustees may merge or consolidate the Mutual Fund or any of the schemes of the Mutual Fund with any other mutual fund or schemes of any other mutual fund or vice-versa, as the case may be.
- 2.8. The term “Scheme” appearing in Clause 8.1 shall be replaced with “scheme”.
- 2.9. The terms “investments” and “investment” appearing in Clause 8.13 shall be replaced with “Investments” and “Investment”, respectively.
- 2.10. Clause 8.15 of the Trust Deed shall be amended and be read as follows:
- “8.15 The Trustees shall segregate the Assets of the Mutual Fund from all other assets held by them whether beneficially or as trustees of some other trust and shall also segregate and maintain separate Assets pertaining to each scheme.”
- 2.11. Clause 8.20(d) of the Trust Deed shall be deleted.
- 2.12. The term “units” appearing in Clause 8.22 shall be replaced with “Unit”.
- 2.13. The term “Allocation of Payments” appearing in Clause 10 shall be replaced with “Allocation of Payments to Capital or Income”.
- 2.14. Clause 10.1 of the Trust Deed shall be amended and be read as follows:
- “10.1 The allocation of payments to capital or income or both will be based on the nature of the scheme, and subject to the provisions of the scheme offer document, the accounting policies followed by the respective scheme, and applicable SEBI Regulations.”
- 2.15. The term “instrument” appearing in Clause 13.1 shall be replaced with “Instrument”.
- 2.16. Clause 13.1(b) of the Trust Deed shall be deleted.
- 2.17. The term “this Agreement” appearing in Clause 17.3(b) shall be replaced with “the Investment Management Agreement”.
- 2.18. Clause 19.1(c) shall be inserted and be read as follows:
- “19.1(c) Such other procedures set forth by SEBI under the SEBI Regulations for votes by Unitholders or such other procedures which may be deemed appropriate by the Trustees and approved by SEBI.”
- 2.19. Clause 19.2 shall be inserted and be read as follows:
- “19.2 Unitholders shall be entitled to one vote per Unit held on all matters to be voted upon by the Unitholders.”
- 2.20. Clause 19.3 shall be inserted and be read as follows:
- “19.3 If the SEBI Regulations do not prescribe any guidelines in this respect, the Trustees shall approve detailed guidelines as laid down by the AMC for the actual conduct and accomplishment of seeking approval of the Unitholders and announcement of its results.”
- 2.21. Clause 25.2 of the Trust Deed shall be amended and be read as follows:
- “25.2 Without prejudice to the provisions hereinbefore, any scheme forming a part of the Mutual Fund may be closed, dissolved, wound up or terminated and the proceeds of the investments of such scheme may be distributed in accordance with provisions of the relevant scheme and SEBI Regulations.”

### 3. EFFECTIVENESS OF THE DEED

- 3.1. This Deed shall be effective as of the Effective Date.
- 3.2. Except to the extent amended/modified/substituted by this Deed, all the other terms and conditions of the Trust Deed shall remain in full force and effect, unaltered and binding on the Parties thereto.
- 3.3. This Deed shall form an integral part of the Trust Deed and the Trust Deed shall stand amended/modified to the extent provided herein.
- 3.4. In case of any conflict between the provisions of this Deed and those contained in the Trust Deed, the provisions of this Deed shall prevail to the extent of conflict.

**IN WITNESS WHEREOF** each of the Parties has caused this Deed to be executed by its duly authorized representative as of the date first written above.

For and on behalf of

**HSBC Securities and Capital Markets (India) Private Limited**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Authorized Signatory

Date: \_\_\_\_\_

**SIGNED AND DELIVERED** by the  
within named Trustees

**X**

**Mr. Nani Javeri**

Date: \_\_\_\_\_

**X**

**Dr. T. C. Nair**

Date: \_\_\_\_\_

**X**

**Ms. Jasmine Batliwalla**

Date: \_\_\_\_\_

**X**

**Ms. Ho Wai Fun**

Date: \_\_\_\_\_



**EXHIBIT 3**  
**POSTAL BALLOT FORM**

Please read the "Notes" and "Instructions" given below before filling up and sending the Postal Ballot Form attached herewith.

**NOTES**

- 1 'Unitholder' means a person holding unit(s) in a scheme of HSBC Mutual Fund as on the record date.
- 2 The postal ballot forms are sent to the unitholders at their addresses registered against their folio/client id.
- 3 All postal ballot forms received after 5.00 pm on November 21, 2022 will be treated as if reply from such unitholder(s) has not been received.
- 4 Incomplete, unsigned or incorrect postal ballot forms will be rejected. The Scrutinizer's decision on the validity of the postal ballot shall be final and binding.

**INSTRUCTIONS FOR VOTING USING THE POSTAL BALLOT FORM**

- 1 A unitholder desiring to exercise his/her vote through postal ballot may complete the attached postal ballot form and send it to the Scrutinizer, appointed by the HSBC Trustees in the attached self addressed postage prepaid business reply envelope.
- 2 The postal ballot form should be completed in all respects and signed by the unitholders.
- 3 In case of joint holding, the postal ballot form should be completed and signed jointly by all the unitholders (as per specimen signature registered with HSBC Mutual Fund).
- 4 In case of joint holding (either or survivor), the postal ballot form should be completed and signed by either of the unitholders (as per specimen signature registered with HSBC Mutual Fund).
- 5 In case of a HUF, the postal ballot form should be completed and signed by the karta in that capacity under the seal (stamp) of the karta (as per specimen signature registered with HSBC Mutual Fund).
- 6 In case of a partnership firm, the postal ballot form should be completed and signed by the authorised signatory(ies) under the seal (stamp) of the partnership firm (as per specimen signature registered with HSBC Mutual Fund).
- 7 In case of companies, trusts, societies, etc., the postal ballot form should be completed and signed by the authorised signatory(ies) under the seal (stamp) of the company, trust, society as the case may be (as per specimen signatory registered with HSBC Mutual Fund).
- 8 Please do not attach with the postal ballot form any other communication. Please do not write any service requests, grievances or complaints, on the postal ballot form. Such communications will not be taken cognisance of.

# POSTAL BALLOT FORM

(Please read the instructions carefully before completing this Form)

Name of First Holder  
(BLOCK LETTERS)

Name of Second Unit Holder  
(BLOCK LETTERS)

Name of Third Unit Holder  
(BLOCK LETTERS)

Folio Number

[illegible]

PAN

[illegible]

First Unit Holder

[illegible]

Second Unit Holder

[illegible]

Third Unit Holder

**For units held in electronic mode**

DP ID No.

[illegible]

Client ID No.

[illegible]

I/We unit holders of HSBC Mutual Fund, have read and understood the communication sent by the Board of Trustees of HSBC Mutual Fund dated October 14, 2022 and provide our consent to the changes being made in the HSBC Trust Deed constituting HSBC Mutual Fund as required under the said communication.

(Please Tick (✓) the relevant option)

I Agree ☐

I Disagree ☐

**X**

Signature of 1st Unitholder/Authorised signatory

**x**

Signature of 2nd Unitholder / Authorised signatory

**X**

Signature of 3rd Unitholder/Authorised signatory

For any queries, unitholders can reach out to us through email at [hsbcmf@camsonline.com](mailto:hsbcmf@camsonline.com) or call us at 1800 200 2434 / 1800-258-2434 (Toll Free) or +91 44 39923900 (unitholders calling from abroad).

## EXHIBIT 4

### DETAILS IN RELATION TO MERGER OF THE SCHEMES

#### Key Features:

| Name of the scheme  | HSBC Infrastructure Equity Fund Scheme Getting Merged ("Transferor Scheme")   | L&T Infrastructure Fund Scheme with which Transferor Scheme is proposed to be Merged ("Transferee Scheme")  | Surviving Scheme post-merger HSBC Infrastructure Fund  |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |  |             |   |  |              |         |         |   |     |      |                |                                    |    |     |               |  |             |   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |                                  |    |     |                |
|---|---|---|--|--|--------------|---------|---------|---|-----|------|------|---|----|-----|------|--|----|-----|---------------|--|-------------|---|--|--------------|---------|---------|---|-----|------|----------------|------------------------------------|----|-----|---------------|--|-------------|---|--|--------------|---------|---------|---|-----|------|------|---|----|-----|------|--|----|-----|---------------|----------------------------------|----|-----|----------------|
| Type of scheme  | An open-ended equity Scheme following Infrastructure theme.   | An open ended equity scheme investing in infrastructure sector.   | An open-ended equity Scheme following Infrastructure theme.  |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |  |             |   |  |              |         |         |   |     |      |                |                                    |    |     |               |  |             |   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |                                  |    |     |                |
| Investment Objective  | To generate long term capital appreciation from an actively managed portfolio of equity and equity related securities by investing predominantly in equity and equity related securities of companies engaged in or expected to benefit from growth and development of Infrastructure in India. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.  | To generate capital appreciation by investing predominantly in equity and equity related instruments of companies in the infrastructure sector.<br><br>There is no assurance that the objective of the Scheme will be realised and the Scheme does not assure or guarantee any returns. | To generate long term capital appreciation from an actively managed portfolio of equity and equity related securities by investing predominantly in equity and equity related securities of companies engaged in or expected to benefit from growth and development of Infrastructure in India. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved. |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |  |             |   |  |              |         |         |   |     |      |                |                                    |    |     |               |  |             |   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |                                  |    |     |                |
| Asset Allocation  | <p>Under normal circumstances, it is anticipated that the asset allocation of the Scheme will be as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of net assets)</th><th rowspan="2">Risk Profile</th></tr> <tr> <th>Minimum</th><th>Maximum</th></tr> </thead> <tbody> <tr> <td>Equities &amp; Equity related securities of companies operating in Infrastructure Sector*</td><td>80%</td><td>100%</td><td>High</td></tr> <tr> <td>Equity and equity related instruments of companies operating in other than Infrastructure Sector*</td><td>0%</td><td>20%</td><td>High</td></tr> <tr> <td>Debt Securities &amp; Money Market instruments (including Cash &amp; cash equivalents)</td><td>0%</td><td>20%</td><td>Low to Medium</td></tr> </tbody> </table> <p>* The Scheme will seek investment in the sectors that are beneficiaries of the infrastructure growth and economic reforms expected in the country in the coming years e.g. Banking/Financial Services (Excluding Retail banks, being largely retail lending institutions); Capital Goods; Energy; Materials; Transportation; Utilities; Port &amp; Logistics; Cement &amp; Construction; Infrastructure Asset owners and Turnkey or services providers in infrastructure or any business benefiting from infrastructure investment.</p> <p>The Scheme may review the above pattern of investments based on views on the equity and debt markets and asset liability management needs and the portfolio shall be reviewed and rebalanced on a regular basis. However, at all times the portfolio will adhere to the overall investment objective of the Scheme.</p> <p>Investors may note that securities which provide higher returns, typically display higher volatility. Accordingly, the investment portfolio of the Scheme would reflect moderate to high volatility in its equity and equity related investments and low to moderate volatility in its debt and money market investments.</p> <p>If the Scheme decides to invest in securitised debt, it is the intention of the Investment Manager that such investments</p> | Instruments   | Indicative Allocation (% of net assets)  |  | Risk Profile | Minimum | Maximum | Equities & Equity related securities of companies operating in Infrastructure Sector* | 80% | 100% | High | Equity and equity related instruments of companies operating in other than Infrastructure Sector* | 0% | 20% | High | Debt Securities & Money Market instruments (including Cash & cash equivalents) | 0% | 20% | Low to Medium | <p>Under normal circumstances, it is anticipated that the asset allocation of the Scheme will be as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of net assets)</th><th rowspan="2">Risk Profile</th></tr> <tr> <th>Minimum</th><th>Maximum</th></tr> </thead> <tbody> <tr> <td>Equity and equity related instruments (including equity derivative instruments)</td><td>80%</td><td>100%</td><td>Medium to High</td></tr> <tr> <td>Debt and Money Market Instruments*</td><td>0%</td><td>20%</td><td>Low to Medium</td></tr> </tbody> </table> <p>* Investment in Securitised debt, if undertaken, would not exceed 20% of the total assets of the Scheme.</p> <p>Investments in equity derivatives up to 50% of the total assets of the Scheme.</p> <p>The Scheme may invest in Foreign Securities upto 10% of its total assets subject to the Eligible Investment Amount. Investment in Foreign Securities shall be subject to the investment restrictions specified by SEBI/RBI from time to time.</p> <p>Investments will be made in line with the asset allocation of the Scheme and the applicable SEBI and/or AMFI guidelines as specified from time to time.</p> <p>Due to market conditions, the AMC may invest beyond the range set out above. Such deviations shall normally be for a short term purpose only, for defensive considerations and the intention being at all times to protect the interests of the Unit Holders. In the event of deviations, rebalancing will normally be carried out within 30 days.</p> <p>The above asset allocation pattern is not absolute and can vary depending upon the AMC's perception of the equity and money markets as well as the general view on interest rates. The asset allocation pattern indicated above may thus be altered substantially on defensive considerations.</p> <p>The cumulative gross exposure through equity, debt, derivative positions, 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.</p> | Instruments | Indicative Allocation (% of net assets) |  | Risk Profile | Minimum | Maximum | Equity and equity related instruments (including equity derivative instruments) | 80% | 100% | Medium to High | Debt and Money Market Instruments* | 0% | 20% | Low to Medium | <p>Under normal circumstances, it is anticipated that the asset allocation of the Scheme will be as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of net assets)</th><th rowspan="2">Risk Profile</th></tr> <tr> <th>Minimum</th><th>Maximum</th></tr> </thead> <tbody> <tr> <td>Equities &amp; Equity related securities of companies operating in Infrastructure Sector*</td><td>80%</td><td>100%</td><td>High</td></tr> <tr> <td>Equity and equity related instruments of companies operating in other than Infrastructure Sector*</td><td>0%</td><td>20%</td><td>High</td></tr> <tr> <td>Debt Securities &amp; Money Market instruments (including Cash &amp; cash equivalents)</td><td>0%</td><td>20%</td><td>Low to Medium</td></tr> <tr> <td>Units issued by REITs and InvITs</td><td>0%</td><td>10%</td><td>Medium to High</td></tr> </tbody> </table> <p>* The Scheme will seek to invest in the sectors that are beneficiaries of the infrastructure growth and economic reforms expected in the country in the coming years e.g. Banking/Financial Services (Excluding Retail banks, being largely retail lending institutions); Capital Goods; Energy; Materials; Transportation; Utilities; Port &amp; Logistics; Cement &amp; Construction; Infrastructure Asset owners and Turnkey or services providers in infrastructure or any business benefiting from infrastructure investment.</p> <p>Investors may note that securities which provide higher returns, typically display higher volatility. Accordingly, the investment portfolio of the Scheme would reflect moderate to high volatility in its equity and equity related investments and low to moderate volatility in its debt and money market investments.</p> <p>If the Scheme decides to invest in securitised debt, it is the intention of the Investment Manager that such investments will not normally exceed 20% of the net assets of the Scheme.</p> <p>The Scheme can take covered call positions for stock derivatives, as permitted by SEBI.</p> | Instruments | Indicative Allocation (% of net assets) |  | Risk Profile | Minimum | Maximum | Equities & Equity related securities of companies operating in Infrastructure Sector* | 80% | 100% | High | Equity and equity related instruments of companies operating in other than Infrastructure Sector* | 0% | 20% | High | Debt Securities & Money Market instruments (including Cash & cash equivalents) | 0% | 20% | Low to Medium | Units issued by REITs and InvITs | 0% | 10% | Medium to High |
| Instruments   | Indicative Allocation (% of net assets)   |   | Risk Profile   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |  |             |   |  |              |         |         |   |     |      |                |                                    |    |     |               |  |             |   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |                                  |    |     |                |
|   | Minimum   | Maximum   |  |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |  |             |   |  |              |         |         |   |     |      |                |                                    |    |     |               |  |             |   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |                                  |    |     |                |
| Equities & Equity related securities of companies operating in Infrastructure Sector*             | 80%   | 100%  | High   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |  |             |   |  |              |         |         |   |     |      |                |                                    |    |     |               |  |             |   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |                                  |    |     |                |
| Equity and equity related instruments of companies operating in other than Infrastructure Sector* | 0%  | 20%   | High   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |  |             |   |  |              |         |         |   |     |      |                |                                    |    |     |               |  |             |   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |                                  |    |     |                |
| Debt Securities & Money Market instruments (including Cash & cash equivalents)                    | 0%  | 20%   | Low to Medium  |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |  |             |   |  |              |         |         |   |     |      |                |                                    |    |     |               |  |             |   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |                                  |    |     |                |
| Instruments   | Indicative Allocation (% of net assets)   |   | Risk Profile   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |  |             |   |  |              |         |         |   |     |      |                |                                    |    |     |               |  |             |   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |                                  |    |     |                |
|   | Minimum   | Maximum   |  |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |  |             |   |  |              |         |         |   |     |      |                |                                    |    |     |               |  |             |   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |                                  |    |     |                |
| Equity and equity related instruments (including equity derivative instruments)                   | 80%   | 100%  | Medium to High   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |  |             |   |  |              |         |         |   |     |      |                |                                    |    |     |               |  |             |   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |                                  |    |     |                |
| Debt and Money Market Instruments*  | 0%  | 20%   | Low to Medium  |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |  |             |   |  |              |         |         |   |     |      |                |                                    |    |     |               |  |             |   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |                                  |    |     |                |
| Instruments   | Indicative Allocation (% of net assets)   |   | Risk Profile   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |  |             |   |  |              |         |         |   |     |      |                |                                    |    |     |               |  |             |   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |                                  |    |     |                |
|   | Minimum   | Maximum   |  |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |  |             |   |  |              |         |         |   |     |      |                |                                    |    |     |               |  |             |   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |                                  |    |     |                |
| Equities & Equity related securities of companies operating in Infrastructure Sector*             | 80%   | 100%  | High   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |  |             |   |  |              |         |         |   |     |      |                |                                    |    |     |               |  |             |   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |                                  |    |     |                |
| Equity and equity related instruments of companies operating in other than Infrastructure Sector* | 0%  | 20%   | High   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |  |             |   |  |              |         |         |   |     |      |                |                                    |    |     |               |  |             |   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |                                  |    |     |                |
| Debt Securities & Money Market instruments (including Cash & cash equivalents)                    | 0%  | 20%   | Low to Medium  |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |  |             |   |  |              |         |         |   |     |      |                |                                    |    |     |               |  |             |   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |                                  |    |     |                |
| Units issued by REITs and InvITs  | 0%  | 10%   | Medium to High   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |  |             |   |  |              |         |         |   |     |      |                |                                    |    |     |               |  |             |   |  |              |         |         |   |     |      |      |   |    |     |      |  |    |     |               |                                  |    |     |                |

| Name of the scheme | HSBC Infrastructure Equity Fund Scheme Getting Merged ("Transferor Scheme")   | L&T Infrastructure Fund Scheme with which Transferor Scheme is proposed to be Merged ("Transferee Scheme") | Surviving Scheme post-merger HSBC Infrastructure Fund  |
|--------------------|---|--|--|
|                    | <p>will not normally exceed 20% of the corpus of the Scheme and if the Scheme decides to invest in ADRs/GDRs issued by Indian companies and foreign securities in line with SEBI stipulation, it is the intention of the Investment Manager that such investments will not, normally exceed 30% of the assets of the Scheme.</p> <p>For investments in ADRs/GDRs, the Fund Manager would consider the premium/discount to the underlying stock and the possibility of the discount narrowing or the premium expanding, liquidity management of the portfolio, secondary and primary offerings of ADRs/GDRs.</p> <p>Securitized debt, while relatively illiquid compared to other debt investments provides a higher yield pickup. Hence only if the Fund Manager becomes cautious or negative on the Indian equity markets for a reasonably long period of time would he consider investing in such instruments to improve the yield to the fund and investors as opposed to putting the monies in reverse repo and short term money market instruments. No investments shall be made in foreign securitized debt.</p> <p>The Scheme shall have derivative exposure as per the SEBI regulations issued from time to time.</p> |  | <p>Derivative positions for other than hedging purposes shall not exceed 50% of total equity assets. The Scheme shall have derivative exposure as per the SEBI regulations issued from time to time.</p> <p>The Scheme may engage in short selling and securities lending. In case of securities lending, the Scheme may take exposure up to 20% of net assets and not more than 5% of the net assets of the Scheme shall be deployed in securities lending to any single counter-party/intermediary.</p> <p>The gross exposure to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the concerned scheme.</p> <p>The scheme shall not invest in credit default swaps and Structured Obligations/Credit Enhancements.</p> <p>If the Scheme decides to invest in ADRs/GDRs issued by Indian companies and foreign securities in line with SEBI stipulation, it is the intention of the Investment Manager that such investments will not, normally exceed 30% of the assets of the Scheme. For investments in ADRs/GDRs, the Fund Manager would consider the premium/discount to the underlying stock and the possibility of the discount narrowing or the premium expanding, liquidity management of the portfolio, secondary and primary offerings of ADRs/GDRs.</p> <p>Pending deployment of funds, the Scheme may invest them into deposits of scheduled commercial banks as permitted under the extant Regulations.</p> <p>The scheme may participate in instruments with special features including Additional Tier 1 bonds and Additional Tier 2 bonds as prescribed under SEBI circular no SEBI/HO/IMD/DF4/CIR/P/2021/032 dated 10th March 2021 and any other guidelines issues by SEBI from time to time. As per the extant regulatory guidelines, the scheme shall not invest –</p> <ol style="list-style-type: none"> <li>more than 10% of its net assets in such instruments; and</li> <li>more than 5% of its net assets in such instruments issued by a single issuer.</li> </ol> <p>The cumulative gross exposure through equity, debt instruments, REITs &amp; InvITs units and derivative positions and other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time, subject to approval, if any, shall not exceed 100% of net assets of the Scheme.</p> <p>Investments will be made in line with the asset allocation of the Scheme and the applicable SEBI and/or AMFI guidelines as specified from time to time.</p> <p>Due to market conditions, the AMC may invest beyond the range set out in the asset allocation. Such deviations shall normally be for short term and defensive considerations as per SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 4, 2021 and the fund manager will rebalance the portfolio within 30 calendar days from the date of deviation and the fund manager will rebalance the portfolio within 30 calendar days from the date of deviation. Further, as per SEBI Circular no. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2022/39 dated March 30, 2022, as may be amended from time to time, in the event of deviation from mandated asset allocation due to passive breaches (occurrence of instances not arising out of omission and commission of the AMC), the fund manager shall rebalance</p> |

| Name of the scheme         | HSBC Infrastructure Equity Fund Scheme Getting Merged ("Transferor Scheme")   | L&T Infrastructure Fund Scheme with which Transferor Scheme is proposed to be Merged ("Transferee Scheme")  | Surviving Scheme post-merger HSBC Infrastructure Fund   |
|----------------------------|---|---|---|
|                            |   |   | <p>the portfolio of the Scheme within 30 Business Days. In case the portfolio of the Scheme 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 of the AMC. 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. Further, in case the portfolio is not rebalanced within the aforementioned mandated plus extended timelines the AMC shall comply with the prescribed restrictions, the reporting and disclosure requirements as specified in SEBI circular dated March 30, 2022.</p>  |
| <b>Investment Strategy</b> | <p>The aim of the scheme is to deliver above benchmark returns by providing long-term capital growth from an actively managed portfolio, primarily comprising of stocks of companies engaged in or expected to benefit from growth and development of Infrastructure in India.</p> <p>A top down and bottom up approach will be used to invest in equity and equity related instruments. Investments will be pursued in Infrastructure related sectors based on the Investment Team's identification of the drivers of growth of the Indian economy. For this, the Fund Manager(s) will do an analysis of business cycles, regulatory reforms, demographics, investment/infrastructure requirements, competitive advantage etc. The Fund Manager(s) in selecting scrips will focus on the fundamentals of the business, the industry structure, the quality of management and its strategy, corporate governance trends, sensitivity to economic factors, operating efficiency, the financial strength of the company, key earnings and cash flow drivers. Since disciplined investing requires risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process.</p> <p>The Scheme may invest in unlisted and/or privately placed and/or unrated debt securities subject to the limits indicated under "Investment Restrictions for the Scheme(s)" prescribed in the SID, from issuers of repute and sound financial standing. If investment is made in unrated debt securities, the approval of the Board of the AMC and the Trustees or the Investment Management Committee (within the broad parameters approved by the Board of the AMC and the Trustees) shall be obtained, as per the Regulations. As per the asset allocation pattern indicated above, for investment in debt securities and money market instruments, the Fund may invest a part of the portfolio in various debt securities issued by corporates and/or state and central government. Such government securities may include securities which are supported by the ability to borrow from the treasury or supported only by the sovereign guarantee or of the state government or supported by GOI/state government in some other way.</p> <p>With the aim of controlling risks, rigorous in depth credit evaluation of the instruments proposed to be invested in will be carried out by the Investment Team of the AMC. The credit evaluation includes a study of the operating environment of the company, the past track record as well as the future prospects of the issuer, the short as well as long-term financial health of the issuer. The AMC will also be guided by the ratings of rating agencies such as</p> | <p>The Scheme will invest primarily in companies that are engaged in the area of infrastructure. The industries that fall under infrastructure sector would broadly include Banking &amp; Financial Services, Cement &amp; Cement Products, Capital Goods, Construction &amp; related Industry, Electrical &amp; Electronic components, Energy, Engineering, Metals/Mining/Minerals, Housing, Oil &amp; Gas and Allied Industries, Petroleum &amp; Related Industry, Ports, Power and Power Equipment, Telecom, Transportation. The Scheme will also use derivative instruments such as Index/stock futures or options for portfolio rebalancing, hedging and return optimization.</p> <p>The Fund uses a system that it believes can assemble a portfolio of securities that is style neutral and that consistently outperforms traditional strategies that focus on a single style, such as value or growth. Since the Scheme is based on Infrastructure theme, the Fund Manager will focus mainly on companies that offer an opportunity to participate in the growth of infrastructure sector.</p> <p>The aim would be to select fundamentally sound companies having potential to deliver superior earnings growth in the long run. The fund manager would adopt both, Top-down and Bottom-up approach for stock selection. Under Top-down approach, the aim would be to identify industries in the infrastructure sector that can offer long-term growth. Under bottom-up approach, the aim would be to select companies with high profitability and scalability supported by sustainable competitive advantages. These companies will have a long term growth prospect and will be measured on earning potential.</p> <ul style="list-style-type: none"> <li>• The overall portfolio structuring would aim at controlling risk at moderate level. Security specific risk will be minimised by investing only in those companies that have been thoroughly researched in-house. Risk will also be managed through broad diversification of the portfolios within the framework of the Scheme's investment objective and policies.</li> </ul> <p>The AMC will follow a structured investment process in order to identify the best securities for investment and has developed an internal research framework for consistently examining all securities which will focus on the following key factors:</p> <ul style="list-style-type: none"> <li>• Enduring business model</li> <li>• Management quality</li> <li>• Change in business fundamentals</li> <li>• Valuation</li> </ul> <p>Investment decisions are made by the Fund Manager of the Scheme. The Investment committee which also includes the Fund Managers reviews all investments on a</p> | <p>The aim of the scheme is to deliver above benchmark returns by providing long-term capital growth from an actively managed portfolio, primarily comprising of stocks of companies engaged in or expected to benefit from growth and development of Infrastructure in India.</p> <p>A top down and bottom up approach will be used to invest in equity and equity related instruments. Investments will be pursued in Infrastructure related sectors based on the Investment Team's identification of the drivers of growth of the Indian economy. For this, the Fund Manager(s) will do an analysis of business cycles, regulatory reforms, demographics, investment/infrastructure requirements, competitive advantage etc. The Fund Manager(s) in selecting scrips will focus on the fundamentals of the business, the industry structure, the quality of management and its strategy, corporate governance trends, sensitivity to economic factors, operating efficiency, the financial strength of the company, key earnings and cash flow drivers. Since disciplined investing requires risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process.</p> <p>The Scheme may invest in unlisted and/or privately placed and/or unrated debt securities subject to the limits indicated under "Investment Restrictions for the Scheme(s)" prescribed in the SID, from issuers of repute and sound financial standing. If investment is made in unrated debt securities, the approval of the Board of the AMC and the Trustees or the Investment Management Committee (within the broad parameters approved by the Board of the AMC and the Trustees) shall be obtained, as per the Regulations. As per the asset allocation pattern indicated above, for investment in debt securities and money market instruments, the Fund may invest a part of the portfolio in various debt securities issued by corporates and/or state and central government. Such government securities may include securities which are supported by the ability to borrow from the treasury or supported only by the sovereign guarantee or of the state government or supported by GOI/state government in some other way.</p> <p>With the aim of controlling risks, rigorous in depth credit evaluation of the instruments proposed to be invested in will be carried out by the Investment Team of the AMC. The credit evaluation includes a study of the operating environment of the company, the past track record as well as the future prospects of the issuer, the short as well as long-term financial health of the issuer. The AMC will also be guided by the ratings of rating agencies</p> |

| Name of the scheme                                | HSBC Infrastructure Equity Fund Scheme Getting Merged ("Transferor Scheme")  | L&T Infrastructure Fund Scheme with which Transferor Scheme is proposed to be Merged ("Transferee Scheme")  | Surviving Scheme post-merger HSBC Infrastructure Fund   |
|---|--|---|---|
|   | CRISIL, CARE and ICRA or any other rating agency as approved by the regulators. In addition, the Investment Team of the AMC will study the macro economic conditions, including the political, economic environment and factors affecting liquidity and interest rates. The AMC would use this analysis to attempt to predict the likely direction of interest rates and position the portfolio appropriately to take advantage of the same. The Scheme may invest in other Scheme(s) managed by the AMC or in the schemes of any other mutual fund, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments. | regular basis and also records justification for the investments made and periodically reviews the investments decisions and policies with the Chief Executive Officer. The Board of Directors of the AMC and the Trustee Company review the performance of the Scheme vis-à-vis similar schemes of other mutual funds.   | such as CRISIL, CARE and ICRA or any other rating agency as approved by the regulators. In addition, the Investment Team of the AMC will study the macro economic conditions, including the political, economic environment and factors affecting liquidity and interest rates. The AMC would use this analysis to attempt to predict the likely direction of interest rates and position the portfolio appropriately to take advantage of the same. The Scheme may invest in other Scheme(s) managed by the AMC or in the schemes of any other mutual fund, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments.  |
| <b>Tier 1 Benchmark Index</b>                     | S&P BSE India Infrastructure TRI   | Nifty Infrastructure TRI Index  | S&P BSE India Infrastructure TRI  |
| <b>Plan / Options / Sub-options</b>               | <ul style="list-style-type: none"> <li>• Growth</li> <li>• Growth – Direct</li> <li>• Income Distribution cum Capital Withdrawal Option (IDCW)</li> <li>• Income Distribution cum Capital Withdrawal Option (IDCW) – Direct – Payout of IDCW</li> <li>– Reinvestment IDCW</li> </ul>   | <ul style="list-style-type: none"> <li>• Growth</li> <li>• Growth – Direct</li> <li>• Income Distribution cum Capital Withdrawal Option (IDCW)</li> <li>• Income Distribution cum Capital Withdrawal Option (IDCW) – Direct – Payout of IDCW</li> <li>– Reinvestment IDCW</li> </ul>  | <ul style="list-style-type: none"> <li>• Growth– Regular</li> <li>• Growth – Direct</li> <li>• Income Distribution cum Capital Withdrawal Option (IDCW) – Regular</li> <li>• Income Distribution cum Capital Withdrawal Option (IDCW) – Direct – Payout of IDCW</li> <li>– Reinvestment IDCW</li> </ul>   |
| <b>Loads (Including SIP/STP where applicable)</b> | <p><b>Entry Load* : Not Applicable</b></p> <p><b>Exit Load :</b></p> <p>(i) In respect of each purchase/switch-in of units, an exit load of 1% is payable if units are redeemed/switched-out within 1 year from the date of allotment.</p> <p>(ii) No exit load will be charged, if units are redeemed/switched-out after 1 year from the date of allotment.</p>   | <p><b>Entry Load* : Not Applicable</b></p> <p><b>Exit Load :</b></p> <p>If the units redeemed or switched out are upto 10% of the units purchased or switched in ("the limit") within 1 year from the date of allotment – Nil</p> <p>If units redeemed or switched out are over and above the limit within 1 year from the date of allotment – 1%</p> <p>If units are redeemed or switched out on or after 1 year from the date of allotment – Nil</p> <p>A switch-out or a withdrawal under SWP may also attract an Exit Load like any Redemption.</p> <p>No Exit load will be chargeable in case of switches made between different options of the Scheme.</p> <p>No Exit load will be chargeable in case of Units allotted on account of dividend reinvestments, if any.</p> | <p><b>Entry Load* : Not Applicable</b></p> <p><b>Exit Load :</b></p> <p>If the units redeemed or switched out are upto 10% of the units purchased or switched in ("the limit") within 1 year from the date of allotment – Nil</p> <p>If units redeemed or switched out are over and above the limit within 1 year from the date of allotment – 1%</p> <p>If units are redeemed or switched out on or after 1 year from the date of allotment – Nil</p> <p>A switch-out or a withdrawal under SWP may also attract an Exit Load like any Redemption.</p> <p>No Exit load will be chargeable in case of switches made between different options of the Scheme.</p> <p>No Exit load will be chargeable in case of Units allotted on account of dividend reinvestments, if any.</p> |
|   | * In terms of SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009, no entry load will be charged to the investor effective August 1, 2009.   |   |   |
| <b>Liquidity</b>                                  | Being an open ended Scheme, Units may be purchased or redeemed on every Business Day at NAV based prices, subject to provisions of exit load, if any. The Fund will, under normal circumstances, endeavour to dispatch redemption proceeds within 3 Business Days.   | The Scheme will offer Units for Purchase and Redemption at NAV related prices on every Business Day. The Mutual Fund will endeavour to dispatch the Redemption proceeds within 3 Business Days from the date of acceptance of the Redemption request.   | Being an open ended Scheme, Units may be purchased or redeemed on every Business Day at NAV based prices, subject to provisions of exit load, if any. The Fund will, under normal circumstances, endeavour to dispatch redemption proceeds within 3 Business Days.  |
| <b>Segregated Portfolio</b>                       | Not Enabled  | Not Enabled   | Enabled*  |
| <b>Covered Call</b>                               | Not Enabled  | Not Enabled   | Enabled   |

#### A. Provisions related to covered call strategy

Covered call strategy is known as selling a call option on the shares which an investor holds. Under this strategy the investor owns the shares and has taken on the potential obligation to deliver the shares to the option buyer and accept the predetermined price as the price at which he sells the shares. For his willingness to do this, the investor receives the premium on the option.

##### Benefit of covered call strategy

**Income Generation:** Investment manager sees this strategy as income generation. When investment manager is under view that the price of a share will not move beyond certain price in certain time frame, his endeavour will be to generate income by selling call option on that stock.

**Downside Hedging:** Downside of the stock is protected to the extent of premium received under covered call strategy.

##### Risk Factors of covered call strategy

**Volatility risk:** Volatility risk arises when market is more volatile than the Fund Manager's estimation. The investment manager holds view of range bound market and the market volatility breaches these limits, thereby increasing risk to the portfolio. This risk is mitigated as we have covered with the stocks we hold.



**Opportunity loss:** Selling call option means investment manager are obligated to deliver the stock at a predetermined price. In case when the stock price moves above the predetermined price, the upside opportunity is lost on the stock, because we have sold call option.

Writing call options are highly specialized activities and entail higher than ordinary investment risks. In such investment strategy, the profits from call option writing is capped at the option premium, however the downside depends upon the increase in value of the underlying equity shares.

#### **Restriction in Writing of Covered Call Options by Mutual Fund Schemes:**

In terms of SEBI circular dated January 16, 2019, mutual funds have been permitted to write call options under a covered call strategy as prescribed below:

Mutual Fund schemes (except Index Funds and ETFs) may write call options only under a covered call strategy for constituent stocks of NIFTY 50 and BSE SENSEX subject to the following:

- a. The total notional value (taking into account strike price as well as premium value) of call options written by a scheme shall not exceed 15% of the total market value of equity shares held in that scheme.
- b. The total number of shares underlying the call options written shall not exceed 30% of the unencumbered shares of a particular company held in the scheme. The unencumbered shares in a scheme shall mean shares that are not part of Securities Lending and Borrowing Mechanism (SLBM), margin or any other kind of encumbrances.
- c. At all points of time the Mutual Fund scheme shall comply with the provisions at paragraphs (a) and (b) above. In case of any passive breach of the requirement at paragraph (a), the respective scheme shall have 7 trading days to rebalance the portfolio. During the rebalancing period, no additional call options can be written in the said scheme.
- d. In case a Mutual Fund scheme needs to sell securities on which a call option is written under a covered call strategy, it must ensure compliance with paragraphs (a) and (b) above while selling the securities.
- e. In no case, a scheme shall write a call option without holding the underlying equity shares. A call option can be written only on shares which are not hedged using other derivative contracts.
- f. The premium received i.e., the total gross exposure related to option premium paid and received must not exceed 20% of the net assets of the scheme.
- g. The exposure on account of the call option written under the covered call strategy shall not be considered in cumulative gross exposure of the Scheme for computing 100% of the net assets of the scheme.
- h. The call option written shall be marked to market daily and the respective gains or losses factored into the daily NAV of the respective scheme(s) until the position is closed or expired.

#### **B. Provisions related to REITs & InvITs**

##### **I. Risks factors associated with investments in REITs & InvITs**

**Market Risk:** REITs and InvITs Investments are volatile and subject to price fluctuations on a daily basis owing to the market conditions and factors impacting the underlying assets. AMC/Fund Manager's will do the necessary due diligence but actual market movements may be at variance with the anticipated trends.

**Liquidity Risk:** As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes, settlement periods, dissolution of the trust, potential delisting of units on the exchange etc., the time taken by the Mutual Fund for liquidating the investments in the scheme may be long in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk. As these products are new to the market they are likely to be exposed to liquidity risk.

**Reinvestment Risk:** Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, interest payments etc. Depending upon the market conditions, interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. As a result, the proceeds may get invested at a lower rate.

**Credit Risk:** REITs & InvITs are likely to have volatile cash flows as the repayment dates would not necessarily be pre scheduled.

**Regulatory/Legal Risk:** REITs and InvITs being new asset classes, regulatory guidelines may be evolving in nature which may impact the investments in REITs and InvITs.

##### **II. Investment restrictions related to REITs & InvITs**

A mutual fund may invest in the units of REITs and InvITs subject to the following:

- (a) No mutual fund under all its schemes shall own more than 10% of units issued by a single issuer of REIT and InvIT; and
- (b) A mutual fund scheme shall not invest –
  - i. more than 10% of its NAV in the units of REIT and InvIT; and
  - ii. more than 5% of its NAV in the units of REIT and InvIT issued by a single issuer.

Provided that the limits mentioned in sub-clauses (i) and (ii) above shall not be applicable for investments in case of index fund or sector or industry specific scheme pertaining to REIT and InvIT.

##### **C. Risk factors associated with investments in Perpetual Debt Instruments (PDI) including Additional Tier-1 and Tier-2 bonds**

The scheme may invest in certain debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and/or convertible to equity upon trigger of a pre-specified event for loss absorption including Additional Tier I bonds and Tier 2 bonds issued under Basel III framework (known as perpetual debt instruments). PDIs are instruments issued by the borrower to strengthen their capital structure and as the name suggests these instruments do not have a specific maturity date but have an embedded call option instead and maybe less liquid than conventional debt instruments. These bonds are subordinate to all other debt and only senior to equity capital. The issuer may call or redeem the bonds on the call exercise date if they can refinance the issue at a cheaper rate, especially when interest rates are declining. The issuers of such instruments could be Banks, NBFCs and Corporates. PDIs issued by Banks and NBFCs fall under scope of Reserve Bank of India ("RBI")'s guidelines for Basel III capital regulations. These are also referred to as Additional Tier I (AT1 bonds). However, there are no regulatory guidelines for issuance of PDIs by Corporates.

Since PDIs have special features other than usual non-convertible bonds, there are additional risks associated with such instruments which are listed below –

##### **Risk related to coupon servicing –**

**Banks** - As per the terms of the instruments, Banks may have discretion at all times to cancel distributions/payment of coupons. In the event of non-availability of adequate distributable reserves and surpluses or inadequacy in terms of capital requirements, RBI may not allow banks to make payment of coupons. These bonds may not be permitted to pay these coupons if the Bank's financial position improves subsequently (non-cumulative).

**NBFCs** - While NBFCs can defer/postpone payment of coupon in case paying the coupon leads to breach of capital ratios, they also have discretion at all times to cancel payment of coupon.

**Corporates** - Corporates usually have discretion to defer the payment of coupon. However, the coupon is usually cumulative and any deferred coupon shall accrue interest at the original coupon rate of the PDI.

### **Risk of write down or conversion to equity –**

In the event of shortfall in maintenance of capital adequacy ratios and/or Point of Non Viability Trigger (PONV – a point defined by RBI when a bank is deemed to have become non-viable unless appropriate measures are taken to revive its operations or infusion of public sector capital), PDIs issued by Banks could be written down or converted to common equity. This risk does not exist in case of PDIs issued by NBFCs and Corporates.

### **Risk of call option not exercised by the issuer –**

**Banks and NBFCs** - The issuing Banks and NBFCs have an option to call back the instrument after minimum period as per the regulatory requirement from the date of issuance and specified period thereafter, subject to meeting the RBI guidelines. However, if the issuer does not exercise the call on first call date, the Scheme may have to hold the instruments for a period beyond the first call exercise date and hence may be exposed to valuation impacts.

**Corporates** – Unlike Banks and NBFCs there is no minimum period for call date for Corporate issuers. However, if the corporate does not exercise the call option, the Scheme may have to hold the instruments for a period beyond the call exercise date and hence may be exposed to valuation impacts.

**Risk Mitigation** – The Scheme will not invest more than 10% of the NAV of the scheme in such instruments and will limit exposure to 5% of the NAV of the Scheme for such instruments issued by a single issuer.

## **D. Risk associated with short selling and securities lending**

**Short Selling Risk:** The risk associated with upward movement in market price of security sold short may result in loss. The losses on short position may be unlimited as there is no upper limit on rise in price of a security.

**Securities Lending:** The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lender of securities i.e., the Scheme and the approved intermediary. Such failure to comply can result in the possible loss of rights in 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 Mutual Fund may not be able to sell such lent securities and this can lead to temporary illiquidity.

## **E. Provision related to participation of mutual funds in repo in corporate debt securities:**

### **Risks factors associated with investments in repo transactions in corporate bonds**

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 is economically similar to a secured loan, with the buyer receiving corporate debt securities as collateral to protect against default. The Scheme may invest in repo of corporate debt securities which are subject to the following risks:

- Counterparty Risk:** This refers to the inability of the seller to meet the obligation to buy back securities at the contracted price on the contracted date. The Investment Manager will endeavour to manage counterparty risk by dealing only with counterparties, having strong credit profiles, approved by our credit risk analysis team. The exposure to each counterparty will be within the overall approved credit limits. Also, the counterparty 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.
- Collateral Risk:** Collateral risk arises when the market value of the securities is inadequate to meet the repo obligations. This risk is mitigated by restricting participation in repo transactions with collateral bearing a minimum rating as prescribed by the regulators (currently AA or equivalent and above rated money market and corporate debt securities). Any rating downgrade will tantamount to either an early termination of the repo agreement or a call for fresh margin to meet the minimum haircut requirement. In addition, the Investment manager may apply a higher haircut on the underlying security than mentioned above to adjust for the illiquidity and interest rate risk on the underlying instrument. The adequacy of the collateral will be monitored on a daily basis by considering the daily market value & applying the prescribed haircut. In the event of shortfall in the collateral, the counterparty shall be asked to replenish the same. If the counterparty is not able to top-up either in form of cash/collateral, it shall tantamount to early termination of the repo agreement.
- Settlement Risk:** Corporate Bond Repo shall be settled between two counterparties in the OTC segment unlike in the case of Government securities repo transactions where CCIL stands as central counterparty on all transactions which neutralizes the settlement risk. However, the settlement risk pertaining to CDRs shall be mitigated through Delivery versus Payment (DvP) mechanism which is followed by all clearing members.

### **Investment restrictions:**

In terms of SEBI Circular No. CIR/IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012, mutual funds can participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time, subject to the following conditions:

- The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the Scheme.
- The Scheme shall participate in repo transactions only in AA and above rated corporate debt securities.
- In terms of Regulation 44 (2) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, the Scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.

### **\*Segregated Portfolio**

In order to ensure fair treatment to all investors in case of a Credit Event and to deal with liquidity risk, SEBI (vide its circular no. SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018) has allowed creation of Segregated Portfolio of debt and money market instruments by mutual fund schemes.

### **Benefits associated with Segregated Portfolio**

The creation of Segregated Portfolio is aimed at ring fencing a bad asset and restrict cascading effect of illiquidity on the rest of portfolio. This will ensure fair treatment to all investors in case of a Credit Event and allow HSBC AMC to deal with liquidity risk. This offers advantage to the investors in the following ways:

- Protecting interest of the investors – It protects investors from exits of large investors as segregation of bad assets help in stabilizing the NAV and minimize panic redemptions, thereby providing a cushion to the liquid portfolio of the Scheme.
- Fair treatment to the investors – New investors coming to the Scheme (Main Portfolio) after the Credit Event will neither get benefit of subsequent recovery, if any, of the bad assets nor will they have to bear the cost of further reduction in value of bad assets. Furthermore, an existing investor exiting from the liquid portfolio (Main Portfolio) after the Credit Event shall still be entitled to receive his portion of subsequent recovery of bad assets in the Segregated Portfolio.

The salient features of creation of Segregated Portfolio is given as below:

### **Creation of Segregated Portfolio**

Creation of Segregated Portfolio shall be subject to guidelines specified by SEBI from time to time and includes the following:

- 1) Segregated Portfolio may be created, in case of a Credit Event at issuer level i.e., downgrade in credit rating by a SEBI registered Credit Rating Agency ("CRA"), as under:
  - a. Downgrade of a debt or money market instrument to 'below investment grade', or
  - b. Subsequent downgrades of the said instruments from 'below investment grade', or
  - c. Similar such downgrades of a loan rating, or
  - d. Trigger of a pre-specified event for loss absorption in case of debt instruments with special features such as subordination to equity (absorption of losses before equity capital) and/or conversion to equity.
- 2) In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of Segregated Portfolio shall be based on issuer level Credit Events as mentioned above and implemented at the ISIN level.
- 3) In case of unrated debt or money market instruments of an issuer that does not have any outstanding rated debt or money market instruments, actual default of either the interest or principal amount by the issuer of such instruments shall be considered as a Credit Event for creation of Segregated Portfolio.
- 4) In case of debt instruments with special features mentioned above, if the instrument is to be written off or converted to equity pursuant to any proposal, the date of said proposal may be treated as the Trigger Date. However, if the said instruments are written off or converted to equity without proposal, the date of write off or conversion of debt instrument to equity may be treated as the Trigger Date.
- 5) Creation of Segregated Portfolio is optional and is at the discretion of the AMC.

#### **Definitions**

- 1) The term 'Segregated Portfolio' means a portfolio, comprising of debt or money market instrument affected by a Credit Event that has been segregated in a mutual fund scheme.
- 2) The term 'Main Portfolio' means the scheme portfolio excluding the Segregated Portfolio.
- 3) The term 'Total Portfolio' means the scheme portfolio including the securities affected by the Credit Event.

#### **Process for Creation of Segregated Portfolio**

- 1) On the date of Credit Event, the AMC shall decide on creation of Segregated Portfolio. Once the AMC decides to create Segregated Portfolio, it shall:
  - a. seek approval of Board of Trustees prior to creation of the Segregated Portfolio;
  - b. immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors. The Fund will also disclose that the segregation shall be subject to the Trustees approval. Additionally, the said press release will be prominently disclosed on the website of the AMC; and
  - c. ensure that till the time the Trustees approval is received, which in no case shall exceed 1 business day from the day of Credit Event, the subscription and redemption in the scheme will be suspended for processing with respect to creation of units and payment on redemptions.
- 2) Once the Trustees approval is received by the AMC:
  - a. Segregated Portfolio will be effective from the day of Credit Event.
  - b. The AMC shall issue a press release immediately with all relevant information pertaining to the Segregated Portfolio. The said information will also be submitted to SEBI.
  - c. An e-mail or SMS will be sent to all unit holders of the concerned scheme.
  - d. The Net Asset Value ("NAV") of both Segregated and Main Portfolios will be disclosed from the day of the Credit Event.
  - e. All existing investors in the scheme as on the day of the Credit Event will be allotted equal number of units in the Segregated Portfolio as held in the Main Portfolio.
  - f. No redemption and subscription will be allowed in the Segregated Portfolio. However, upon recovery of any money from Segregated Portfolio, it will be immediately distributed to the investors in proportion to their holding in the Segregated Portfolio.
  - g. The AMC shall enable listing of units of Segregated Portfolio on the recognized stock exchange within 10 working days of creation of Segregated Portfolio and also enable transfer of such units on receipt of valid transfer requests.
- 3) If the Trustees do not approve the proposal to segregate portfolio, the AMC will issue a press release immediately informing investors of the same.

#### **Processing of Subscription and Redemption Proceeds**

- 1) All subscription and redemption requests for which NAV of the day of Credit Event or subsequent day is applicable will be processed as under:
  - i. Upon Trustees' approval to create a Segregated Portfolio -
 

Investors redeeming their units will get redemption proceeds based on the NAV of Main Portfolio and will continue to hold the units of Segregated Portfolio.

Investors subscribing to the scheme will be allotted units only in the Main Portfolio based on its NAV.
  - ii. In case Trustees do not approve the proposal of Segregated Portfolio, subscription and redemption applications will be processed based on the NAV of Total Portfolio.

#### **Disclosure**

The AMC shall make necessary disclosures as mandated by SEBI, in statement of account, monthly/half yearly portfolio statements, KIM, SID, Scheme Advertisements, Scheme Performance data, AMC's website and at other places as may be specified.

The information regarding number of Segregated Portfolio(s) created in a scheme shall appear prominently under the name of the scheme at all relevant places such as SID, KIM-cum-Application Form, advertisement, AMC and AMFI websites, etc.

The NAV of the Segregated Portfolio shall be declared on daily basis.

Further, the investors of the Segregated Portfolio shall be duly informed of the recovery proceedings of the investments of the Segregated Portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

#### **Total Expense Ratio (TER) for the Segregated Portfolio**

- 1) The AMC will not charge investment and advisory fees on the Segregated Portfolio. However, TER (excluding the investment and advisory fees) can be charged, on a pro-rata basis only upon recovery of the investments in Segregated Portfolio.
- 2) The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the Main Portfolio (in % terms) during the period for which the Segregated Portfolio was in existence.
- 3) The legal charges related to recovery of the investments of the Segregated Portfolio may be charged to the Segregated Portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the Main Portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC.
- 4) The costs related to Segregated Portfolio shall in no case be charged to the Main Portfolio.

## Monitoring by Trustees

The Trustees will monitor the compliance of the SEBI Circular in respect of creation of Segregated Portfolio and disclosure in this respect shall be made in Half-Yearly Trustee reports filed with SEBI.

In order to avoid mis-use of Segregated Portfolio, Trustees shall have a mechanism in place to negatively impact the performance incentives of fund managers, Chief Investment Officers, etc., involved in the investment process of securities under the Segregated Portfolio, mirroring the existing mechanism for performance incentives of the AMC, including transfer of such impacted amount to the Segregated Portfolio.

## Risks associated with Segregated Portfolio

**Liquidity risk** – Segregated Portfolio is created to separate debt and money market instruments affected by a Credit Event from the Main Portfolio of the Scheme. The Fund will not permit redemption of the Segregated Portfolio units, but the units will be listed on a recognized stock exchange. The Fund is not assuring any liquidity of such units on the stock exchange. Further, trading price of units on the stock exchange may be significantly lower than the prevailing NAV. Investors can continue to transact (subscribe/redeem) from the Main Portfolio.

**Credit risk** – While the AMC will put in sincere efforts to recover the securities in the Segregated Portfolio and distribute the same to unit holders, it is likely that such securities may not realise any value leading to losses to investors.

## Illustration of Segregated Portfolio

Below mentioned is sample Portfolio of a scheme, net assets of which amount to Rs. 558.41 lacs.

### (1) Portfolio Before Downgrade Event (As on 29 June, 2019)

| Security                         | Rating    | Type of Security              | Quantity | Price Per Unit (Rs.) | Market Value (Rs. in lacs) | % of Net Assets |
|----------------------------------|-----------|-------------------------------|----------|----------------------|----------------------------|-----------------|
| 7.14% A Finance Corporation Ltd. | AAA       | NCD                           | 50000    | 102.625              | 51.31245                   | 9.19%           |
| 7.70 % B Industries Ltd.         | AAA       | NCD                           | 60000    | 98.3588              | 59.01528                   | 10.57%          |
| 8.29% C Services Ltd.            | AA +      | NCD                           | 70000    | 98.9125              | 69.23875                   | 12.40%          |
| D Ltd                            | A1 +      | CD                            | 30000    | 98.199               | 29.4597                    | 5.28%           |
| 7.37% Gol Sep 16 2019            | Sovereign | Gilt                          | 50000    | 98.7623              | 49.38115                   | 8.84%           |
| Cash/ Cash Equivalent            |           |                               |          |                      | 300.00142                  | 53.72%          |
|                                  |           | <b>Net Assets</b>             |          |                      | <b>558.41</b>              |                 |
|                                  |           | <b>No. of units (in Lacs)</b> |          |                      | <b>10</b>                  |                 |
|                                  |           | <b>NAV (Rs. per unit)</b>     |          |                      | <b>55.8409</b>             |                 |

### (2) Rating downgrade of security

|                          |                                     |
|--------------------------|-------------------------------------|
| Downgrade event date     | 30-Jun-2019                         |
| Downgraded security      | 8.29% C Services Ltd. from AA+ to B |
| Valuation marked down by | 25%*                                |

\*Mark down in valuation of downgraded securities shall be based on the haircut matrices specified by Association of Mutual Funds in India ("AMFI") which takes into account downgraded rating, sector to which security belongs and secured/unsecured nature of the security.

### Portfolio after Downgrade (As on 30 June, 2019)

| Security                         | Rating    | Type of Security              | Quantity | Price Per Unit (Rs.) | Market Value (Rs. in lacs) | % of Net Assets |
|----------------------------------|-----------|-------------------------------|----------|----------------------|----------------------------|-----------------|
| 7.14% A Finance Corporation Ltd. | AAA       | NCD                           | 50000    | 102.625              | 51.31245                   | 9.47%           |
| 7.70 % B Industries Ltd.         | AAA       | NCD                           | 60000    | 98.3588              | 59.01528                   | 10.90%          |
| 8.29% C Services Ltd.*           | B*        | NCD                           | 70000    | 75                   | 52.5                       | 9.69%           |
| D Ltd.                           | A1 +      | CD                            | 30000    | 98.199               | 29.4597                    | 5.44%           |
| 7.37% Gol Sep 16 2019            | Sovereign | Gilt                          | 50000    | 98.7623              | 49.38115                   | 9.12%           |
| Cash/ Cash Equivalent            |           |                               |          |                      | 300.00142                  | 55.38%          |
|                                  |           | <b>Net Assets</b>             |          |                      | <b>541.67</b>              |                 |
|                                  |           | <b>No. of units (in Lacs)</b> |          |                      | <b>10</b>                  |                 |
|                                  |           | <b>NAV (Rs. per unit)</b>     |          |                      | <b>54.1670</b>             |                 |

\* Mark down of 25% is on the face value (Rs. 100/-) of security on the date of Credit Event. Before marked down, the security was valued at Rs. 98.9125 per unit on 30 June, 2019 which is the date of Credit Event, NCD of C Services Ltd. will be segregated into a separate portfolio.

### Main Portfolio (As on 30 June, 2019)

| Security                         | Rating    | Type of Security              | Quantity | Price Per Unit (Rs.) | Market Value (Rs. in lacs) | % of Net Assets |
|----------------------------------|-----------|-------------------------------|----------|----------------------|----------------------------|-----------------|
| 7.14% A Finance Corporation Ltd. | AAA       | NCD                           | 50000    | 102.625              | 51.31245                   | 10.49%          |
| 7.70 % B Industries Ltd.         | AAA       | NCD                           | 60000    | 98.3588              | 59.01528                   | 12.06%          |
| D Ltd.                           | A1 +      | CD                            | 30000    | 98.199               | 29.4597                    | 6.02%           |
| 7.37% Gol Sep 16 2019            | Sovereign | Gilt                          | 50000    | 98.7623              | 49.38115                   | 10.09%          |
| Cash/ Cash Equivalent            |           |                               |          |                      | 300.00142                  | 61.33%          |
|                                  |           | <b>Net Assets</b>             |          |                      | <b>489.17</b>              |                 |
|                                  |           | <b>No. of units (in Lacs)</b> |          |                      | <b>10</b>                  |                 |
|                                  |           | <b>NAV (Rs. per unit)</b>     |          |                      | <b>48.9170</b>             |                 |

### Segregated Portfolio (As on 30 June, 2019)

| Security               | Rating | Type of Security              | Quantity | Price Per Unit (Rs.) | Market Value (Rs. in lacs) | % of Net Assets |
|------------------------|--------|-------------------------------|----------|----------------------|----------------------------|-----------------|
| 8.29% C Services Ltd.* | B*     | NCD                           | 70000    | 75                   | 52.5                       | 100.00%         |
|                        |        | <b>Net Assets</b>             |          |                      | <b>52.50</b>               |                 |
|                        |        | <b>No. of units (in Lacs)</b> |          |                      | <b>10</b>                  |                 |
|                        |        | <b>NAV (Rs. per unit)</b>     |          |                      | <b>5.2500</b>              |                 |

### (3) Holding after creation of Segregated Portfolio

| Particulars            | Segregated Portfolio | Main Portfolio | Total Value (Rs. in lacs) |
|------------------------|----------------------|----------------|---------------------------|
| No. of units (in Lacs) | 10                   | 10             |                           |
| NAV (Rs. per unit)     | 5.2500               | 48.9170        |                           |
| <b>Total value</b>     | <b>52.50</b>         | <b>489.17</b>  | <b>541.67</b>             |

## EXHIBIT 5

### ADDITIONAL INFORMATION

| Information as of 30-September-2022   |                                 |                                 |
|---|---------------------------------|---------------------------------|
| Particulars   | HSBC Infrastructure Equity Fund | L&T Infrastructure Fund         |
| Fund Manager  | Gautam Bhupal                   | Venugopal Manghat, Cheenu Gupta |
| Net Assets of the Scheme (as on 30-September-2022)  | Rs. 116.66 Cr.                  | Rs. 1,405.22 Cr.                |
| Inception date  | Regular Plan – 23-Feb-2006      | Regular Plan – 27-Sep-2007      |
|   | Direct Plan – 01-Jan-2013       | Direct Plan – 01-Jan-2013       |
| No. of Investors (30-September-2022)  | 19,673                          | 82,913                          |
| No. of Folios (30-September-2022)   | 20,162                          | 88,377                          |
| Percentage of total securities classified as below investment grade or default to net assets as on 30-September-2022                          | Nil                             | Nil                             |
| Percentage of total illiquid assets to net assets on 30-September-2022  | Nil                             | Nil                             |
| Details of The Recurring Expenses calculated as a % of Average daily net assets as on 30-September-2022<br><b>Note: This is excluding GST</b> | Regular Plan : 2.30             | Regular Plan : 2.06             |
|   | Direct Plan : 1.03              | Direct Plan : 0.98              |
| <b>NAV per unit (30-September-2022)</b>   |                                 |                                 |
| Direct- Growth  | 29.2706                         | 26.97                           |
| Direct- IDCW  | 24.6910                         | 24.74                           |
| Direct- IDCW Payout   | 24.6910                         | #                               |
| Regular- Growth   | 26.6928                         | 24.69                           |
| Regular- IDCW   | 22.7049                         | 22.72                           |
| Regular- IDCW Payout  | 22.7049                         | #                               |
| Unclaimed Redemption (as on 30-September-2022) - Amount in INR  | 6,999,186.13                    | 2,380,506.21                    |
| - No of Investors   | 325                             | 137                             |
| Unclaimed Dividend (as on 30-September-2022) - Amount in INR  | 935,170.00                      | 0                               |
| - No of Investors   | 243                             | 0                               |

# NAV applicable to payout plan's is the NAV of respective IDCW plan's they belong to.

#### Performance of schemes

| Performance - Data as of 30-September-2022 (in %) |                                 |        |   |        |                                |        |   |        |
|---|---------------------------------|--------|---|--------|--------------------------------|--------|---|--------|
| Period  | HSBC Infrastructure Equity Fund |        | S&P BSE India Infrastructure TRI (Scheme Benchmark) |        | L&T Infrastructure Equity Fund |        | Nifty Infrastructure TRI (Scheme Benchmark) |        |
|   | Regular                         | Direct | Regular   | Direct | Regular                        | Direct | Regular                                     | Direct |
| 1 Year  | 4.50                            | 5.98   | 6.41  | 6.41   | 5.87                           | 7.11   | 0.41  | 0.41   |
| 3 Years   | 20.82                           | 22.49  | 19.71   | 19.71  | 17.23                          | 18.57  | 17.50                                       | 17.50  |
| 5 Years   | 3.31                            | 4.52   | 7.90  | 7.90   | 8.52                           | 9.68   | 10.73                                       | 10.73  |
| Since Inception                                   | 6.09                            | 9.15   | NA  | NA     | 6.20                           | 15.41  | 1.98  | 8.47   |

Past performance may or may not be sustained in future. Returns above 1 year are Compounded Annualized. Different plans shall have a different expense structure. Performance of the respective benchmark is calculated as per the Total Return Index (TRI).

#### Portfolio Statement of HSBC Infrastructure Equity Fund

| Portfolio as of 30-September-2022                   |              |                          |          |                            |                 |                             |  |
|---|--------------|--------------------------|----------|----------------------------|-----------------|-----------------------------|--|
| Name of the Instrument / Issuer                     | ISIN         | Rating / Industries      | Quantity | Market Value (Rs in Lakhs) | % to Net Assets | Yield of the Instrument (%) |  |
| <b>Equity &amp; Equity Related Instruments</b>      |              |                          |          |                            |                 |                             |  |
| <b>Equity Shares</b>                                |              |                          |          |                            |                 |                             |  |
| <b>Listed / Awaiting listing on Stock Exchanges</b> |              |                          |          |                            |                 |                             |  |
| Larsen & Toubro Limited                             | INE018A01030 | Construction             | 60,000   | 1,108.62                   | 9.50            |                             |  |
| NTPC Limited  | INE733E01010 | Power                    | 540,000  | 862.11                     | 7.39            |                             |  |
| Reliance Industries Limited                         | INE002A01018 | Petroleum Products       | 33,000   | 784.66                     | 6.73            |                             |  |
| KEI Industries Limited                              | INE878B01027 | Industrial Products      | 47,000   | 679.29                     | 5.82            |                             |  |
| Schaeffler India Limited                            | INE513A01022 | Auto Components          | 18,000   | 578.22                     | 4.96            |                             |  |
| Bharat Electronics Limited                          | INE263A01024 | Aerospace & Defense      | 555,000  | 560.27                     | 4.80            |                             |  |
| UltraTech Cement Limited                            | INE481G01011 | Cement & Cement Products | 8,000    | 500.41                     | 4.29            |                             |  |
| DLF Limited   | INE271C01023 | Realty                   | 130,000  | 463.71                     | 3.97            |                             |  |
| Adani Ports and Special Economic Zone Limited       | INE742F01042 | Transport Infrastructure | 49,000   | 402.12                     | 3.45            |                             |  |
| Carborundum Universal Limited                       | INE120A01034 | Industrial Products      | 43,000   | 385.45                     | 3.30            |                             |  |
| Container Corporation of India Limited              | INE111A01025 | Transport Services       | 53,000   | 377.17                     | 3.23            |                             |  |
| Mahindra Logistics Ltd.                             | INE766P01016 | Transport Services       | 72,000   | 374.29                     | 3.21            |                             |  |
| APL Apollo Tubes Limited                            | INE702C01027 | Industrial Products      | 36,000   | 373.70                     | 3.20            |                             |  |
| ACC Limited   | INE012A01025 | Cement & Cement Products | 15,000   | 362.35                     | 3.11            |                             |  |
| PNC Infratech Limited                               | INE195J01029 | Construction             | 135,000  | 357.95                     | 3.07            |                             |  |
| Indraprastha Gas Limited                            | INE203G01027 | Gas                      | 90,000   | 357.12                     | 3.06            |                             |  |

| Portfolio as of 30-September-2022                   |              |   |          |                            |                 |                             |
|---|--------------|---|----------|----------------------------|-----------------|-----------------------------|
| Name of the Instrument / Issuer                     | ISIN         | Rating / Industries                             | Quantity | Market Value (Rs in Lakhs) | % to Net Assets | Yield of the Instrument (%) |
| Siemens Limited                                     | INE003A01024 | Electrical Equipment                            | 12,500   | 346.35                     | 2.97            |                             |
| ABB India Limited                                   | INE117A01022 | Electrical Equipment                            | 11,000   | 339.72                     | 2.91            |                             |
| NCC Limited   | INE868B01028 | Construction                                    | 400,000  | 287.00                     | 2.46            |                             |
| KNR Constructions Limited                           | INE634I01029 | Construction                                    | 125,000  | 285.94                     | 2.45            |                             |
| Phoenix Mills Limited                               | INE211B01039 | Realty  | 17,084   | 239.02                     | 2.05            |                             |
| Honeywell Automation India Limited                  | INE671A01010 | Industrial Manufacturing                        | 550      | 220.02                     | 1.89            |                             |
| Ashok Leyland Limited                               | INE208A01029 | Agricultural Commercial & Construction Vehicles | 140,000  | 213.71                     | 1.83            |                             |
| Gujarat Gas Limited                                 | INE844O01030 | Gas   | 40,000   | 201.30                     | 1.73            |                             |
| POLYCAB INDIA Limited                               | INE455K01017 | Industrial Products                             | 7,500    | 192.06                     | 1.65            |                             |
| Sundram Fasteners Limited                           | INE387A01021 | Auto Components                                 | 17,160   | 155.98                     | 1.34            |                             |
| Ahluwalia Contracts (India) Limited                 | INE758C01029 | Construction                                    | 32,537   | 136.35                     | 1.17            |                             |
| Thermax Limited                                     | INE152A01029 | Electrical Equipment                            | 6,000    | 130.17                     | 1.12            |                             |
| Ashoka Buildcon Limited                             | INE442H01029 | Construction                                    | 150,000  | 117.30                     | 1.01            |                             |
| Jindal Steel & Power Limited                        | INE749A01030 | Ferrous Metals                                  | 25,000   | 107.15                     | 0.92            |                             |
| <b>Total</b>  |              |   |          | <b>11,499.52</b>           | <b>98.59</b>    |                             |
| <b>Treps</b>  |              |   |          | <b>189.68</b>              | <b>1.63</b>     | <b>5.86</b>                 |
| Net Current Assets (including cash & bank balances) |              |   |          | -22.75                     | -0.22           | 5.86                        |
| <b>Total Net Assets as on 30-September-2022</b>     |              |   |          | <b>11,666.45</b>           | <b>100.00</b>   |                             |



Market Value includes accrued interest

**Notes:**

- (1) Securities in default beyond its maturity date is Nil.
- (2) The aggregate value of illiquid equity shares of the Scheme and its percentage to Net Asset Value is Nil.
- (3) Option wise per unit Net Asset Values are as follows:

| Option                      | As on 30 September 2022 | As on 31 March 2022 |
|-----------------------------|-------------------------|---------------------|
| Growth Option               | Rs 26.6928              | Rs 24.9513          |
| IDCW Option                 | Rs 22.7049              | Rs 21.2235          |
| Direct Plan - Growth Option | Rs 29.2706              | Rs 27.1692          |
| Direct Plan - IDCW Option   | Rs 24.6910              | Rs 22.9495          |

- (4) Details of Schemes having exposure in Derivatives is as follows :
  - a. Hedging Positions through Futures as on September 30, 2022 is Nil.  
For the period ended September 30, 2022, hedging transactions through futures which have been squared off/expired is Nil.
  - b. Other than Hedging Positions through Futures as on September 30, 2022 is Nil.  
For the period ended September 30, 2022, non-hedging transactions through futures which have been squared off/expired is Nil.
  - c. Hedging Positions through Options as on September 30, 2022 is Nil.
  - d. Other than Hedging Positions through Options as on September 30, 2022 is Nil.
  - e. Hedging Positions through swaps as on September 30, 2022 is Nil.
- (5) The total market value of investments in foreign securities / American Depositary Receipts / Global Depositary Receipts as on September 30, 2022 is Nil.
- (6) No Dividend was declared during the half-year period ended September 30, 2022.
- (7) No bonus was declared during the half-year period ended September 30, 2022.
- (8) The portfolio turnover ratio of the Scheme for the half year ended September 30, 2022 is 0.30 times.
- (9) Investment in Repo in Corporate Debt Securities during the half year ended September 30, 2022 is Nil.
- (10) No. of instances of deviation from valuation guidelines is Nil
- (11) Investment in Partly paid Bonds / NCD's : Nil
- (12) Debt instruments having structured obligations or credit enhancement features have been denoted with suffix as (SO) or (CE) respectively against the ratings of the instrument.
- (13) The YTM of Net Current Assets is computed based on Weighted Average of TREPS and Reverse Repo placement rates for the scheme on the portfolio date in line with AMFI circular number 35P/ MEM-COR/ 07/ 2021-22 Dated 11-May-2021.

| Scheme Riskometer  |   | Benchmark Riskometer  |
|--|---|---|
| <b>HSBC Infrastructure Equity Fund</b><br> <p>Investors understand that their principal will be at Very High risk</p>   | <p>An open-ended equity scheme following Infrastructure theme.</p> <p><b>This product is suitable for investors who are seeking*</b></p> <ul style="list-style-type: none"> <li>To create wealth over long term</li> <li>Investment in equity and equity related securities, primarily in themes that play an important role in India's economic development</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> | <b>Scheme Benchmark : S&amp;P BSE India Infrastructure TRI</b><br> |
| <p>Please note that the above risk-o-meter is as per the product labelling of the scheme available as on the date of this communication/disclosure. As per SEBI circular dated October 5, 2020 on product labelling (as amended from time to time), risk-o-meter will be calculated on a monthly basis based on the risk value of the scheme portfolio based on the methodology specified by SEBI in the above stated circular. The AMC shall disclose the risk-o-meter along with portfolio disclosure for all their schemes on their respective website and on AMFI website within 10 days from the close of each month. Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular Scheme.</p> |   |   |



**Portfolio Statement of L&T Infrastructure Fund**

| Portfolio as of 30-September-2022                   |   |           |                                |               |                             |              |
|---|---|-----------|--------------------------------|---------------|-----------------------------|--------------|
| Name of the Instrument / Issuer                     | Industry / Rating                               | Quantity  | Market Value<br>(Rs. in Lakhs) | % to<br>NAV   | Yield to<br>Maturity<br>(%) | ISIN         |
| <b>EQUITY &amp; EQUITY RELATED INSTRUMENTS</b>      |   |           |                                |               |                             |              |
| <b>Listed / Awaiting listing on Stock Exchanges</b> |   |           |                                |               |                             |              |
| Larsen & Toubro Limited                             | Construction                                    | 658,497   | 12,167.05                      | 8.66          |                             | INE018A01030 |
| Bharat Electronics Limited                          | Aerospace & Defense                             | 5,954,061 | 6,010.62                       | 4.28          |                             | INE263A01024 |
| Kennametal India Limited                            | Industrial Manufacturing                        | 199,338   | 5,357.61                       | 3.81          |                             | INE717A01029 |
| ABB India Limited                                   | Electrical Equipment                            | 171,600   | 5,299.69                       | 3.77          |                             | INE117A01022 |
| Bharti Airtel Limited                               | Telecom - Services                              | 651,500   | 5,211.35                       | 3.71          |                             | INE397D01024 |
| Reliance Industries Limited                         | Petroleum Products                              | 218,000   | 5,183.50                       | 3.69          |                             | INE002A01018 |
| Grindwell Norton Limited                            | Industrial Products                             | 246,743   | 5,093.15                       | 3.62          |                             | INE536A01023 |
| The Ramco Cements Limited                           | Cement & Cement Products                        | 651,791   | 4,917.76                       | 3.50          |                             | INE331A01037 |
| NTPC Limited  | Power   | 2,986,000 | 4,767.15                       | 3.39          |                             | INE733E01010 |
| VRL Logistics Limited                               | Transport Services                              | 715,096   | 4,362.44                       | 3.10          |                             | INE366I01010 |
| RHI Magnesita India Limited                         | Industrial Products                             | 594,640   | 3,983.79                       | 2.83          |                             | INE743M01012 |
| H.G Infra Engineering Limited                       | Construction                                    | 668,204   | 3,955.43                       | 2.81          |                             | INE926X01010 |
| Carborundum Universal Limited                       | Industrial Products                             | 434,200   | 3,892.17                       | 2.77          |                             | INE120A01034 |
| Brigade Enterprises Limited                         | Realty  | 702,300   | 3,572.60                       | 2.54          |                             | INE791I01019 |
| Polycab India Limited                               | Industrial Products                             | 126,400   | 3,236.79                       | 2.30          |                             | INE455K01017 |
| Century Textiles & Industries Limited               | Paper Forest & Jute Products                    | 397,700   | 3,224.15                       | 2.29          |                             | INE055A01016 |
| Honeywell Automation India Limited                  | Industrial Manufacturing                        | 7,850     | 3,140.33                       | 2.23          |                             | INE671A01010 |
| KEC International Limited                           | Electrical Equipment                            | 693,400   | 3,118.57                       | 2.22          |                             | INE389H01022 |
| Apar Industries Limited                             | Electrical Equipment                            | 217,710   | 2,824.90                       | 2.01          |                             | INE372A01015 |
| Thermax Limited                                     | Electrical Equipment                            | 128,723   | 2,792.65                       | 1.99          |                             | INE152A01029 |
| Schaeffler India Limited                            | Auto Components                                 | 85,200    | 2,736.92                       | 1.95          |                             | INE513A01022 |
| Aegis Logistics Limited                             | Gas   | 982,100   | 2,662.47                       | 1.89          |                             | INE208C01025 |
| Birla Corporation Limited                           | Cement & Cement Products                        | 271,844   | 2,596.79                       | 1.85          |                             | INE340A01012 |
| Finolex Cables Limited                              | Industrial Products                             | 532,827   | 2,501.62                       | 1.78          |                             | INE235A01022 |
| UltraTech Cement Limited                            | Cement & Cement Products                        | 38,300    | 2,395.70                       | 1.70          |                             | INE481G01011 |
| PNC Infratech Limited                               | Construction                                    | 863,700   | 2,290.10                       | 1.63          |                             | INE195J01029 |
| Grasim Industries Limited                           | Cement & Cement Products                        | 128,500   | 2,152.18                       | 1.53          |                             | INE047A01021 |
| Tata Power Company Limited                          | Power   | 900,500   | 1,949.58                       | 1.39          |                             | INE245A01021 |
| Voltas Limited                                      | Consumer Durables                               | 198,000   | 1,794.77                       | 1.28          |                             | INE226A01021 |
| Godrej Properties Limited                           | Realty  | 148,700   | 1,775.33                       | 1.26          |                             | INE484J01027 |
| Isgec Heavy Engineering Limited                     | Construction                                    | 335,122   | 1,695.72                       | 1.21          |                             | INE858B01029 |
| AIA Engineering Limited                             | Industrial Products                             | 67,213    | 1,686.51                       | 1.20          |                             | INE212H01026 |
| BEML Limited  | Agricultural Commercial & Construction Vehicles | 105,600   | 1,565.84                       | 1.11          |                             | INE258A01016 |
| Mahindra Lifespace Developers Limited               | Realty  | 328,900   | 1,552.41                       | 1.10          |                             | INE813A01018 |
| KEI Industries Limited                              | Industrial Products                             | 104,100   | 1,504.56                       | 1.07          |                             | INE878B01027 |
| Kirloskar Pneumatic Company Limited                 | Industrial Products                             | 264,600   | 1,504.25                       | 1.07          |                             | INE811A01020 |
| Siemens Limited                                     | Electrical Equipment                            | 53,400    | 1,479.61                       | 1.05          |                             | INE003A01024 |
| Timken India Limited                                | Industrial Products                             | 43,700    | 1,340.80                       | 0.95          |                             | INE325A01013 |
| Hindalco Industries Limited                         | Non - Ferrous Metals                            | 339,900   | 1,327.48                       | 0.94          |                             | INE038A01020 |
| Cummins India Limited                               | Industrial Products                             | 107,200   | 1,281.95                       | 0.91          |                             | INE298A01020 |
| Ratnamani Metals & Tubes Limited                    | Industrial Products                             | 57,750    | 1,090.70                       | 0.78          |                             | INE703B01027 |
| Oberoi Realty Limited                               | Realty  | 114,000   | 1,046.29                       | 0.74          |                             | INE093I01010 |
| Techno Electric & Engineering Company Limited       | Construction                                    | 379,416   | 1,003.18                       | 0.71          |                             | INE285K01026 |
| Indian Hume Pipe Company Limited                    | Industrial Manufacturing                        | 573,169   | 919.36                         | 0.65          |                             | INE323C01030 |
| Shree Cements Limited                               | Cement & Cement Products                        | 3,850     | 809.77                         | 0.58          |                             | INE070A01015 |
| Dixon Technologies (India) Limited                  | Consumer Durables                               | 17,400    | 760.66                         | 0.54          |                             | INE935N01020 |
| Bharat Dynamics Limited                             | Aerospace & Defense                             | 80,000    | 699.80                         | 0.50          |                             | INE171Z01018 |
| KNR Constructions Limited                           | Construction                                    | 191,541   | 438.15                         | 0.31          |                             | INE634I01029 |
| Blue Dart Express Limited                           | Transport Services                              | 4,000     | 354.05                         | 0.25          |                             | INE233B01017 |
| BEML Land Assets Limited                            | Realty  | 105,600   | 318.65                         | 0.23          |                             | INE0N7W01012 |
| Bharti Airtel Limited                               | Telecom - Services                              | 34,442    | 138.47                         | 0.10          |                             | IN9397D01014 |
| Mazagon Dock Shipbuilders Limited                   | Industrial Manufacturing                        | 7,657     | 37.78                          | 0.03          |                             | INE249Z01012 |
| <b>Total</b>  |   |           | <b>137,523.15</b>              | <b>97.81</b>  |                             |              |
| <b>OTHERS</b>                                       |   |           |                                |               |                             |              |
| <b>(a) Tri Party Repo Dealing System (TREPS)</b>    |   |           | 3,679.74                       | 2.62          |                             |              |
| <b>(b) Net Receivables/(Payables)</b>               |   |           | (680.52)                       | (0.43)        |                             |              |
| <b>Net Assets</b>                                   |   |           | <b>140,522.37</b>              | <b>100.00</b> |                             |              |

**Notes:**

- (1) The aggregate value of illiquid equity shares of the Scheme is Nil and its percentage to Net Asset Value is Nil.
- (2) Option wise per unit Net Asset Values are as follows:



| Option #              | As on beginning of the Half-year | As on September 30, 2022 |
|-----------------------|----------------------------------|--------------------------|
| Regular Plan - IDCW   | Rs. 23.57                        | Rs. 22.72                |
| Regular Plan - Growth | Rs. 23.57                        | Rs. 24.69                |
| Direct Plan - IDCW    | Rs. 25.60                        | Rs. 24.74                |
| Direct Plan - Growth  | Rs. 25.60                        | Rs. 26.97                |

#The nomenclature of "Dividend" is renamed as "Income Distribution Capital Withdrawal (IDCW)" with effect from April 1, 2021. For details refer our notice no 55 dated March 26, 2021.

- (3) The total outstanding exposure in derivative instruments as on September 30, 2022 is Nil.
- (4) The total market value of investments in foreign securities / American Depositary Receipts / Global Depositary Receipts as on September 30, 2022 is Nil.
- (5) The dividends declared during the Half-year ended September 30, 2022 under the dividend options of the Scheme are as follows:

| Option              | Rate of dividend per Unit |
|---------------------|---------------------------|
| Regular Plan - IDCW | Rs. 2.00000000            |
| Direct Plan - IDCW  | Rs. 2.25000000            |

- (6) No bonus was declared during the Half-year ended September 30, 2022.
- (7) The portfolio turnover ratio of the Scheme for the Half-year ended September 30, 2022 is 0.2600 times.
- (8) Investment in Repo of Corporate Debt Securities as on September 30, 2022 is Nil.
- (9) The total outstanding exposure in securities default beyond their maturity as on September 30, 2022 is Nil.
- (10) Details of short term deposit(s)/term deposit placed as margin - Nil

| Scheme Riskometer   |  | Benchmark Riskometer  |
|---|--|---|
| <b>L&amp;T Infrastructure Fund</b><br><br><b>RISKOMETER</b><br>Investors understand that their principal will be at Very High risk   | <b>An open-ended equity scheme investing in Infrastructure sector.</b><br><b>This product is suitable for investors who are seeking*</b> <ul style="list-style-type: none"> <li>Long term capital appreciation</li> <li>Investment predominantly in equity and equity-related instruments of companies in the infrastructure sector</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> | <b>Benchmark Name:</b><br><b>Nifty Infrastructure TRI</b><br><br><b>RISKOMETER</b> |
| Please note that the above risk-o-meter is as per the product labelling of the scheme available as on the date of this communication/disclosure. As per SEBI circular dated October 5, 2020 on product labelling (as amended from time to time), risk-o-meter will be calculated on a monthly basis based on the risk value of the scheme portfolio based on the methodology specified by SEBI in the above stated circular. The AMC shall disclose the risk-o-meter along with portfolio disclosure for all their schemes on their respective website and on AMFI website within 10 days from the close of each month. Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular Scheme. |  |   |

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**

## EXHIBIT 6

## Redemption Request Form from Existing Investors



Please complete all sections in English. For legibility, please use BLOCK LETTERS in black or dark ink

Date

## 1 UNITHOLDER INFORMATION

|                                 |  |  |  |
|---------------------------------|--|--|--|
| Name of Sole / 1st Unit Holder  | First Name                             | Middle Name                            | Last Name                              |
| Folio No.                       | Mobile No. +91-                        |  |  |
| KYC Identification No. (KIN) ** | Sole / First Unitholder                | Guardian / POA                         | Second Unitholder                      |
| PAN (Mandatory)**               | Third Unitholder                       |  |  |
| Enclosed (✓)                    | <input type="checkbox"/> PAN Card Copy | <input type="checkbox"/> PAN Card Copy | <input type="checkbox"/> PAN Card Copy |
| Date of Birth**                 | <input type="text"/>                   | <input type="text"/>                   | <input type="text"/>                   |
| E-mail ID                       |  |  |  |

Please enclose copies of KYC acknowledgement letters for all applicants.

\*\* W.e.f. January 1, 2011, all the applicants need to be KYC Compliant irrespective of the amount invested (including switch). W.e.f. January 1, 2012, applicants who are not KYC compliant are required to complete the uniform KYC process.

\*\* W.e.f. January 1, 2008, PAN number is Mandatory for all investors (including Joint Holders, POA holder, Guardian in case of Minor and NRIs).

W.e.f. February 1, 2017, New individual investors who have never done KYC under KRA (KYC Registration Agency) regime and whose KYC is not registered or verified in the KRA system will be required to fill the new CKYC form while investing with the Fund.

## 2 REDEMPTION (Please ✓ your choice of Scheme / Plan / Option / Sub-option)

|  |  |      |  |
|--|--|------|--|
| Scheme   | HSBC   | Plan |  |
| Option   | <input type="checkbox"/> Regular <input type="checkbox"/> Direct <input type="checkbox"/>  |      |  |
| Option / Sub-option                            | <input type="checkbox"/> Growth (default) <input type="checkbox"/> Reinvestment of IDCW <input type="checkbox"/> Payout of IDCW  |      |  |
| IDCW Frequency                                 | <input type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Fortnightly <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Half Yearly <input type="checkbox"/> Yearly |      |  |
| <input type="checkbox"/> Amount (₹ in figures) | <input type="text"/>   | OR   | <input type="checkbox"/> No. of Units <input type="text"/> |
| <input type="checkbox"/> All Units             |  |      |  |
| Legal Entity Identifier (LEI)                  |  |      |  |

Note: IDCW stands for 'Income Distribution cum Capital Withdrawal option'.

## 3 BANK DETAILS FOR THE ABOVE REDEMPTION

For the new bank account registration investor needs to submit change of bank mandate which will be processed with cooling period of 10 Calendar days.

## FOR INVESTORS WHO HAVE REGISTERED FOR MULTIPLE BANK ACCOUNTS FACILITY

The redemption should be processed into the following registered bank account as per the payout mechanism indicated by me/us:

|             |   |
|-------------|---|
| Bank A/C No | A/c. Type (✓) <input type="checkbox"/> Current <input type="checkbox"/> Savings <input type="checkbox"/> NRO <input type="checkbox"/> NRE <input type="checkbox"/> Others |
| Bank Name   |   |
| MICR Code   | NEFT IFSC Code  |

## 4 DECLARATION AND SIGNATURES (In case of joint holding, signatures of all unit holders are mandatory)

The Trustees, HSBC Mutual Fund

Having read and understood the contents of the Scheme Information Document, Key Information Document, Statement of Additional Information and Addenda of the Scheme(s) issued till date, I/We hereby apply to the Trustees of HSBC Mutual Fund for units of the relevant Scheme and agree to abide by the terms, conditions, rules and regulations of the Scheme and the above mentioned documents of HSBC Mutual Fund. I/We hereby authorise HSBC Mutual Fund, the AMC and its Agents to disclose my/our details including investment details to my/our bank(s)/HSBC Mutual Fund's Bank(s) and/or Distributor/Broker/Investment Advisor and to verify my/our bank details provided by me/us, or to disclose to such other service providers as deemed necessary for conduct of business. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I/We would not hold the Fund, the AMC, its service providers or representatives responsible. I/We will also inform the AMC, about any changes in my/our bank account.

I/We confirm that the details provided by me/us are true and correct. I/we should seek tax advice on the specific tax implications arising out of my/our participation in the Scheme.

I/We confirm that I am/We are not United States person(s) under the laws of United States or resident(s) of Canada. In case of change to this status, I/We shall notify the AMC, in which event the AMC reserves the right to redeem my/our investments in the Scheme(s). I/We confirm that primary email ID provided belongs to self or a family member.

We confirm that we have not issued any bearer shares or share warrants. We also confirm that we will inform the AMC if bearer shares or share warrants are issued subsequently.

|                               |  |   |
|-------------------------------|--|---|
| X                             | X  | X   |
| Sole/First Applicant/Guardian | Second Applicant<br>(Not applicable if first applicant is minor) | Third Applicant<br>(Not applicable if first applicant is minor) |

## ACKNOWLEDGEMENT SLIP (To be filled by the investor)

Received from : Name

Folio No.  Mobile No:

Scheme Name: HSBC Plan / Option

Request submitted for

☐ Redemption Amount (₹)  OR ☐ No. of Units  ☐ All Units

Subject to further verification and furnishing of mandatory information/ documents. Please retain this slip until processed



ISC Stamp, Signature & Date

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### **HSBC Asset Management (India) Private Limited**

**Registered Office :** 9-11 Floors, NESCO IT Park, Building No. 3, Western Express Highway, Goregaon (East), Mumbai 400 063, India

**Tel. :** 1800-200-2434 / 1800-258-2434 OR +91 44 39923900 to connect to our customer care centre. **Fax :** 022-49146033

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#### **CALL US AT**

##### **HSBC MUTUAL FUND INVESTOR SERVICE CENTRES:**

● **Ahmedabad :** Mardia Plaza, CG. Road, Ahmedabad - 380 006. ● **Bengaluru :** No. 7, HSBC Center, M.G. Road, Bengaluru - 560 001. ● **Chandigarh:** SCO 1, Sector 9 D, Chandigarh - 160 017. ● **Chennai :** No. 30, Rajaji Salai, 2nd Floor, Chennai - 600 001. ● **Hyderabad :** 6-3-1107 & 1108, Rajbhavan Road, Somajiguda, Hyderabad - 500 082. ● **Kolkata :** 31 BBD Bagh, Dalhousie Square, Kolkata - 700 001. ● **Mumbai :** 52/60 Mahatma Gandhi Road, Fort, Mumbai 400001. ● **New Delhi :** Ground Floor, East Tower, Birla Tower, 25, Barakhamba Road, New Delhi - 110 001. ● **Pune :** Amar Avinash Corporate City, Sector No. 11, Bund Garden Road, Pune - 411 001.

**Toll Free Number : 1800 200 2434/1800 258 2434 (can be dialled from all phones within India) AND Investors calling from abroad may call on - +91 44 39923900 to connect to our customer care centre.**



Contact us at

[hsbcmf@camsonline.com](mailto:hsbcmf@camsonline.com)



Visit us at

[www.assetmanagement.hsbc.co.in](http://www.assetmanagement.hsbc.co.in)