

COMBINED SCHEME INFORMATION DOCUMENT



HDFC Income Fund Open-ended Income Scheme	HDFC High Interest Fund Open-ended Income Scheme
HDFC Short Term Plan Open-ended Income Scheme	HDFC Short Term Opportunities Fund Open-ended Income Scheme
HDFC Medium Term Opportunities Fund Open-ended Income Scheme	HDFC Floating Rate Income Fund Open-ended Income Scheme
HDFC Gilt Fund Open-ended Income Scheme	HDFC Multiple Yield Fund Open-ended Income Scheme
HDFC Multiple Yield Fund - Plan 2005 Open-ended Income Scheme	HDFC MF Monthly Income Plan* Open-ended Income Scheme <i>* Monthly Income is not assured and is subject to availability of distributable surplus</i>
HDFC Cash Management Fund Savings Plan and Call Plan: Open-ended High Liquidity Income Scheme Treasury Advantage Plan: Open-ended Income Scheme	HDFC Liquid Fund Open-ended Liquid Income Scheme

Continuous Offer of Units at Applicable NAV

Name of Mutual Fund : **HDFC Mutual Fund**
Name of Asset Management Company : **HDFC Asset Management Company Limited**
Name of Trustee Company : **HDFC Trustee Company Limited**

Addresses, Website of the entities:

Address:

Asset Management Company (AMC) :
HDFC Asset Management Company Limited
A Joint Venture with Standard Life Investments Limited
Registered Office :
Ramon House, 3rd Floor, H. T. Parekh Marg,
169, Backbay Reclamation, Churchgate, Mumbai 400 020.

Trustee Company :
HDFC Trustee Company Limited
Registered Office :
Ramon House, 3rd Floor, H. T. Parekh Marg,
169, Backbay Reclamation, Churchgate, Mumbai 400 020.

Website:
www.hdfcfund.com

The particulars of the Scheme(s) have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

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

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

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

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated April 30, 2012.

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HIGHLIGHTS/SUMMARY OF THE SCHEME(S)

Name of the Scheme	HDFC Income Fund (HIF)	HDFC High Interest Fund (HHIF) & HHIF-Short Term Plan (STP)	HDFC Short Term Plan (HSTP)
Investment Objective	To optimise returns while maintaining a balance of safety, yield and liquidity.	To generate income by investing in a range of debt and money market instruments of various maturity dates with a view to maximise income while maintaining the optimum balance of yield, safety and liquidity.	To generate regular income through investment in Debt Securities and Money Market Instruments.
Liquidity	The Scheme(s) being offered are open-ended scheme(s) and will offer Units for Sale / Switch-in and Redemption / Switch-out on every Business Day at NAV based prices. As per SEBI (MF) Regulations, the Mutual Fund shall despatch redemption proceeds within 10 Business Days from the date of redemption. A penal interest of 15% p.a. or such other rate as may be prescribed by SEBI from time to time, will be paid in case the payment of redemption proceeds is not made within 10 Business Days from the date of redemption. However under normal circumstances, the Mutual Fund would endeavor to pay the redemption proceeds within 3-4 Business Days (as applicable) from the date of redemption. Please refer to section ' Redemption ' on Page 58 and 80 for details.		
Benchmark	CRISIL Composite Bond Fund Index	HHIF: CRISIL Composite Bond Fund Index HHIF - STP: CRISIL Short Term Bond Fund Index	CRISIL Short Term Bond Fund Index
Transparency / NAV Disclosure	<p>The AMC will calculate and disclose the NAVs of the Scheme(s) at the close of every Business Day and release to the Press, News Agencies and the Association of Mutual Funds of India (AMFI) except in special circumstances described in 'Suspension of Sale / Redemption / Switching of Options of the Units' under section 'Restrictions, if any, on the right to freely retain or dispose of units being offered' on Page 56. NAVs will also be displayed on the website of the Mutual Fund. In addition, the ISCs would also display the NAVs.</p> <p>The AMC shall update the NAVs on the website of the Mutual Fund (www.hdfcfund.com) and on the website of Association of Mutual Funds in India - AMFI (www.amfiindia.com) by 9.00 p.m. on every Business Day. In case of any delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAVs.</p> <p>The AMC may disclose details of the portfolio of the Scheme(s) on a monthly basis on its website or at such frequency as may be decided by the Trustee / AMC from time to time. As presently required by the SEBI (MF) Regulations, a complete statement of the Scheme portfolio would be published by the Mutual Fund as an advertisement in one English daily Newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated within one month from the close of each half year (i.e. March 31 & September 30) or mailed to the Unit holders.</p>		

HIGHLIGHTS/SUMMARY OF THE SCHEME(S) (CONTD.)

Name of the Scheme	HDFC Income Fund (HIF)	HDFC High Interest Fund (HHIF) & HHIF-Short Term Plan (STP)	HDFC Short Term Plan (HSTP)
Loads (For Lumpsum Purchases and Investments through SIP/STP)	<p>Entry Load: Not Applicable.</p> <p>Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder.</p> <p>Exit Load:</p> <ul style="list-style-type: none"> In respect of each purchase / switch-in of units, an Exit Load of 0.50% is payable if Units are redeemed / switched-out within 6 months from the date of allotment. No Exit Load is payable if Units are redeemed / switched-out after 6 months from the date of allotment. <p>Exit Load:</p> <p>HHIF:</p> <ul style="list-style-type: none"> In respect of each purchase / switch-in of Units, an Exit Load of 0.50% is payable if Units are redeemed / switched-out within 3 months from the date of allotment. No Exit Load is payable if Units are redeemed / switched-out after 3 months from the date of allotment. <p>HHIF-STP:</p> <ul style="list-style-type: none"> In respect of each purchase / switch-in of units, an Exit Load of 0.25% is payable if Units are redeemed / switched-out within 1 month from the date of allotment. <p>Exit Load:</p> <ul style="list-style-type: none"> In respect of each purchase / switch-in of Units, an Exit Load of 0.50% is payable if Units are redeemed / switched-out within 6 months from the date of allotment. No Exit Load is payable if Units are redeemed / switched-out after 6 months from the date of allotment. <p>No Entry / Exit Load shall be levied on bonus units and units allotted on dividend reinvestment.</p> <p>For further details on load structure refer to the section 'Load Structure' on Pages 89-90.</p>		
Minimum Application Amount (under each Plan/Option)	<p>Purchase: ₹ 5,000 and any amount thereafter.</p> <p>Additional Purchase: ₹ 1,000 and any amount thereafter.</p>		

HIGHLIGHTS/SUMMARY OF THE SCHEME(S) (CONTD.)

Name of the Scheme	HDFC Short Term Opportunities Fund (HSTOF)	HDFC Medium Term Opportunities Fund (HMTOF)	HDFC Floating Rate Income Fund (HFRIF)			
Investment Objective	To generate regular income through investments in Debt/ Money Market Instruments and Government Securities with maturities not exceeding 30 months.	To generate regular income through investments in Debt/ Money Market Instruments and Government Securities with maturities not exceeding 60 months.	To generate regular income through investment in a portfolio comprising substantially of floating rate debt / money market instruments, fixed rate debt / money market instruments swapped for floating rate returns, and fixed rate debt securities and money market instruments.			
Liquidity	The Scheme(s) being offered are open-ended scheme(s) and will offer Units for Sale / Switch-in and Redemption / Switch-out on every Business Day at NAV based prices. As per SEBI (MF) Regulations, the Mutual Fund shall despatch redemption proceeds within 10 Business Days from the date of redemption. A penal interest of 15% p.a. or such other rate as may be prescribed by SEBI from time to time, will be paid in case the payment of redemption proceeds is not made within 10 Business Days from the date of redemption. However under normal circumstances, the Mutual Fund would endeavor to pay the redemption proceeds within 3-4 Business Days (as applicable) from the date of redemption. Please refer to section ' Redemption ' on Page 58 and 80 for details.					
Benchmark	CRISIL Short Term Bond Fund Index	CRISIL Composite Bond Fund Index	CRISIL Liquid Fund Index			
Transparency / NAV Disclosure	The AMC will calculate and disclose the NAVs of the Scheme(s) at the close of every Business Day and release to the Press, News Agencies and the Association of Mutual Funds of India (AMFI) except in special circumstances described in ' Suspension of Sale / Redemption / Switching of Options of the Units ' under section ' Restrictions, if any, on the right to freely retain or dispose of units being offered ' on Page 56 . NAVs will also be displayed on the website of the Mutual Fund. In addition, the ISCs would also display the NAVs. The AMC shall update the NAVs on the website of the Mutual Fund (www.hdfcfund.com) and on the website of Association of Mutual Funds in India - AMFI (www.amfiindia.com) by 9.00 p.m. on every Business Day. In case of any delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAVs. The AMC may disclose details of the portfolio of the Scheme(s) on a monthly basis on its website or at such frequency as may be decided by the Trustee / AMC from time to time. As presently required by the SEBI (MF) Regulations, a complete statement of the Scheme portfolio would be published by the Mutual Fund as an advertisement in one English daily Newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated within one month from the close of each half year (i.e. March 31 & September 30) or mailed to the Unit holders.					
Loads (For Lumpsum Purchases and Investments through SIP/STP)	<table><tr><td>Entry Load: Not Applicable. Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder. Exit Load:<ul style="list-style-type: none">In respect of each purchase/ switch-in of units, an Exit load of 0.25% is payable if units are redeemed/switched-out within 1 month from the date of allotment.No Exit Load is payable if units are redeemed/ switched-out after 1 month from the date of allotment.</td><td>Exit Load:<ul style="list-style-type: none">In respect of each purchase / switch - in of units, an exit load of 2% is payable if units are redeemed / switched out within 12 months from the date of allotment.In respect of each purchase / switch - in of units, an exit load of 1% is payable if units are redeemed / switched out after 12 months but within 18 months from the date of allotment.No exit load is payable if units are redeemed / switched - out after 18 months from the date of allotment.</td><td>Exit Load: Short Term Plan: Nil Long Term Plan:<ul style="list-style-type: none">In respect of each purchase / switch-in of Units, an Exit Load of 2.00% is payable if Units are redeemed / switched-out within 12 months from the date of allotment.No Exit Load is payable if Units are redeemed / switched-out after 12 months from the date of allotment.</td></tr></table> No Entry / Exit Load shall be levied on bonus units and units allotted on dividend reinvestment. For further details on load structure refer to the section 'Load Structure' on Pages 89-90.			Entry Load: Not Applicable. Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder. Exit Load: <ul style="list-style-type: none">In respect of each purchase/ switch-in of units, an Exit load of 0.25% is payable if units are redeemed/switched-out within 1 month from the date of allotment.No Exit Load is payable if units are redeemed/ switched-out after 1 month from the date of allotment.	Exit Load: <ul style="list-style-type: none">In respect of each purchase / switch - in of units, an exit load of 2% is payable if units are redeemed / switched out within 12 months from the date of allotment.In respect of each purchase / switch - in of units, an exit load of 1% is payable if units are redeemed / switched out after 12 months but within 18 months from the date of allotment.No exit load is payable if units are redeemed / switched - out after 18 months from the date of allotment.	Exit Load: Short Term Plan: Nil Long Term Plan: <ul style="list-style-type: none">In respect of each purchase / switch-in of Units, an Exit Load of 2.00% is payable if Units are redeemed / switched-out within 12 months from the date of allotment.No Exit Load is payable if Units are redeemed / switched-out after 12 months from the date of allotment.
Entry Load: Not Applicable. Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder. Exit Load: <ul style="list-style-type: none">In respect of each purchase/ switch-in of units, an Exit load of 0.25% is payable if units are redeemed/switched-out within 1 month from the date of allotment.No Exit Load is payable if units are redeemed/ switched-out after 1 month from the date of allotment.	Exit Load: <ul style="list-style-type: none">In respect of each purchase / switch - in of units, an exit load of 2% is payable if units are redeemed / switched out within 12 months from the date of allotment.In respect of each purchase / switch - in of units, an exit load of 1% is payable if units are redeemed / switched out after 12 months but within 18 months from the date of allotment.No exit load is payable if units are redeemed / switched - out after 18 months from the date of allotment.	Exit Load: Short Term Plan: Nil Long Term Plan: <ul style="list-style-type: none">In respect of each purchase / switch-in of Units, an Exit Load of 2.00% is payable if Units are redeemed / switched-out within 12 months from the date of allotment.No Exit Load is payable if Units are redeemed / switched-out after 12 months from the date of allotment.				

HIGHLIGHTS/SUMMARY OF THE SCHEME(S) (CONTD.)

Name of the Scheme	HDFC Short Term Opportunities Fund (HSTOF)	HDFC Medium Term Opportunities Fund (HMTOF)	HDFC Floating Rate Income Fund (HFRIF)
Minimum Application Amount (under each Plan/Option)	<p>Purchase: ₹ 5,000 and any amount thereafter.</p> <p>Additional Purchase: ₹ 1,000 and any amount thereafter.</p>	<p>Purchase: ₹ 5,000 and any amount thereafter.</p> <p>Additional Purchase: ₹ 1,000 and any amount thereafter.</p>	<p>Short Term Plan - Retail Option: (Growth Option, Weekly Dividend Option and Monthly Dividend Option)</p> <p>Purchase: ₹ 5,000 and any amount thereafter.</p> <p>Additional Purchase: ₹ 1,000 and any amount thereafter.</p> <p>Daily Dividend Option:</p> <p>Purchase: ₹ 10,000 and any amount thereafter.</p> <p>Additional Purchase: ₹ 5,000 and any amount thereafter.</p> <p>Short Term Plan - Wholesale Option:(Growth Option, Daily Dividend Option, Weekly Dividend Option and Monthly Dividend Option)</p> <p>Purchase: ₹ 10 lakhs and any amount thereafter.</p> <p>Additional Purchase: ₹ 1 and any amount thereafter.</p> <p>Long Term Plan:</p> <p>Purchase: ₹ 5,000 and any amount thereafter.</p> <p>Additional Purchase: ₹ 1,000 and any amount thereafter.</p>

HIGHLIGHTS/SUMMARY OF THE SCHEME(S) (CONTD.)

Name of the Scheme	HDFC Gilt Fund (HGILT)	HDFC Multiple Yield Fund (HMYF)	HDFC Multiple Yield Fund - Plan 2005 (HMYF'05)			
Investment Objective	To generate credit risk-free returns through investments in sovereign securities issued by the Central Government and/or State Government.	To generate positive returns over medium time frame with low risk of capital loss over medium time frame.	To generate positive returns over medium time frame with low risk of capital loss over medium time frame.			
Liquidity	The Scheme(s) being offered are open-ended scheme(s) and will offer Units for Sale / Switch-in and Redemption / Switch-out on every Business Day at NAV based prices. As per SEBI (MF) Regulations, the Mutual Fund shall despatch redemption proceeds within 10 Business Days from the date of redemption. A penal interest of 15% p.a. or such other rate as may be prescribed by SEBI from time to time, will be paid in case the payment of redemption proceeds is not made within 10 Business Days from the date of redemption. However under normal circumstances, the Mutual Fund would endeavor to pay the redemption proceeds within 3-4 Business Days (as applicable) from the date of redemption. Please refer to section 'Redemption' on Page 58 and 80 for details.					
Benchmark	Short Term Plan: I-Sec Si-Bex Long Term Plan: I-Sec Li-Bex	CRISIL MIP Blended Index	CRISIL MIP Blended Index			
Transparency / NAV Disclosure	The AMC will calculate and disclose the NAVs of the Scheme(s) at the close of every Business Day and release to the Press, News Agencies and the Association of Mutual Funds of India (AMFI) except in special circumstances described in 'Suspension of Sale / Redemption / Switching of Options of the Units' under section 'Restrictions, if any, on the right to freely retain or dispose of units being offered' on Page 56. NAVs will also be displayed on the website of the Mutual Fund. In addition, the ISCs would also display the NAVs. The AMC shall update the NAVs on the website of the Mutual Fund (www.hdfcfund.com) and on the website of Association of Mutual Funds in India - AMFI (www.amfiindia.com) by 9.00 p.m. on every Business Day. In case of any delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAVs. The AMC may disclose details of the portfolio of the Scheme(s) on a monthly basis on its website or at such frequency as may be decided by the Trustee / AMC from time to time. As presently required by the SEBI (MF) Regulations, a complete statement of the Scheme portfolio would be published by the Mutual Fund as an advertisement in one English daily Newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated within one month from the close of each half year (i.e. March 31 & September 30) or mailed to the Unit holders.					
Loads (For Lumpsum Purchases and Investments through SIP/STP)	Entry Load: Not Applicable. Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder. <table><tr><td>Exit Load: Short Term Plan : Nil Long Term Plan :<ul style="list-style-type: none">In respect of each purchase / switch-in of Units, an Exit Load of 0.25% is payable if Units are redeemed / switched-out within 3 months from the date of allotment.No Exit Load is payable if Units are redeemed / switched-out after 3 months from the date of allotment.</td><td>Exit Load:<ul style="list-style-type: none">In respect of each purchase / switch-in of units, an Exit Load of 1.00% is payable if Units are redeemed / switched-out within 1 year from the date of allotment.No Exit Load is payable if Units are redeemed / switched-out after 1 year from the date of allotment.</td><td>Exit Load:<ul style="list-style-type: none">In respect of each purchase / switch-in of units, an Exit Load of 1.00% is payable if Units are redeemed / switched-out within 15 months from the date of allotment.No Exit Load is payable if Units are redeemed / switched-out after 15 months from the date of allotment.</td></tr></table> No Entry / Exit Load shall be levied on bonus units and units allotted on dividend reinvestment. For further details on load structure refer to the section 'Load Structure' on Pages 89-90.			Exit Load: Short Term Plan : Nil Long Term Plan : <ul style="list-style-type: none">In respect of each purchase / switch-in of Units, an Exit Load of 0.25% is payable if Units are redeemed / switched-out within 3 months from the date of allotment.No Exit Load is payable if Units are redeemed / switched-out after 3 months from the date of allotment.	Exit Load: <ul style="list-style-type: none">In respect of each purchase / switch-in of units, an Exit Load of 1.00% is payable if Units are redeemed / switched-out within 1 year from the date of allotment.No Exit Load is payable if Units are redeemed / switched-out after 1 year from the date of allotment.	Exit Load: <ul style="list-style-type: none">In respect of each purchase / switch-in of units, an Exit Load of 1.00% is payable if Units are redeemed / switched-out within 15 months from the date of allotment.No Exit Load is payable if Units are redeemed / switched-out after 15 months from the date of allotment.
Exit Load: Short Term Plan : Nil Long Term Plan : <ul style="list-style-type: none">In respect of each purchase / switch-in of Units, an Exit Load of 0.25% is payable if Units are redeemed / switched-out within 3 months from the date of allotment.No Exit Load is payable if Units are redeemed / switched-out after 3 months from the date of allotment.	Exit Load: <ul style="list-style-type: none">In respect of each purchase / switch-in of units, an Exit Load of 1.00% is payable if Units are redeemed / switched-out within 1 year from the date of allotment.No Exit Load is payable if Units are redeemed / switched-out after 1 year from the date of allotment.	Exit Load: <ul style="list-style-type: none">In respect of each purchase / switch-in of units, an Exit Load of 1.00% is payable if Units are redeemed / switched-out within 15 months from the date of allotment.No Exit Load is payable if Units are redeemed / switched-out after 15 months from the date of allotment.				
Minimum Application Amount (under each Plan/ Option)	Purchase: ₹ 5,000 and any amount thereafter. Additional Purchase: ₹ 1,000 and any amount thereafter.					

HIGHLIGHTS/SUMMARY OF THE SCHEME(S) (CONTD.)

Name of the Scheme	HDFC MF Monthly Income Plan (HMIP)	HDFC Cash Management Fund (HCMF)	HDFC Liquid Fund (HLF)			
Investment Objective	To generate regular returns through investment primarily in Debt and Money Market Instruments. The secondary objective of the Scheme is to generate long-term capital appreciation by investing a portion of the Scheme's assets in equity and equity related instruments. Monthly Income is not assured & is subject to availability of distributable surplus.	Savings Plan & Call Plan: To generate optimal returns while maintaining safety and high liquidity. Treasury Advantage Plan: To generate regular income through investment in debt securities and money market instruments.	To enhance income consistent with a high level of liquidity, through a judicious portfolio mix comprising of money market and debt instruments.			
Liquidity	The Scheme(s) being offered are open-ended scheme(s) and will offer Units for Sale / Switch-in and Redemption / Switch-out on every Business Day at NAV based prices. As per SEBI (MF) Regulations, the Mutual Fund shall despatch redemption proceeds within 10 Business Days from the date of redemption. A penal interest of 15% p.a. or such other rate as may be prescribed by SEBI from time to time, will be paid in case the payment of redemption proceeds is not made within 10 Business Days from the date of redemption. However under normal circumstances, the Mutual Fund would endeavor to pay the redemption proceeds (for Scheme(s) other than HLF, HCMF - Savings Plan & Call Plan) within 3-4 Business Days (as applicable) from the date of redemption. In case of HLF, HCMF - Savings Plan & Call Plan, the Mutual Fund will endeavor to despatch the Redemption cheque within 1 Business Day from the acceptance of the Redemption request. Please refer to section ' Redemption ' on Page 58 and 80 for details.					
Benchmark	Short Term Plan and Long Term Plan: CRISIL MIP Blended Index	CRISIL Liquid Fund Index	CRISIL Liquid Fund Index			
Transparency / NAV Disclosure	The AMC will calculate and disclose the NAVs of the Scheme(s) at the close of every Business Day (In case of HLF, HCMF - Savings Plan & Call Plan, the AMC will calculate the NAVs all year round) and release to the Press, News Agencies and the Association of Mutual Funds of India (AMFI) except in special circumstances described in ' Suspension of Sale / Redemption / Switching of Options of the Units ' under section ' Restrictions, if any, on the right to freely retain or dispose of units being offered ' on Page 56 . NAVs will also be displayed on the website of the Mutual Fund. In addition, the ISCs would also display the NAVs. The AMC shall update the NAVs on the website of the Mutual Fund (www.hdfcfund.com) and on the website of Association of Mutual Funds in India - AMFI (www.amfiindia.com) by 9.00 p.m. on every Business Day. In case of any delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAVs. The AMC may disclose details of the portfolio of the Scheme(s) on a monthly basis on its website or at such frequency as may be decided by the Trustee / AMC from time to time. As presently required by the SEBI (MF) Regulations, a complete statement of the Scheme portfolio would be published by the Mutual Fund as an advertisement in one English daily Newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated within one month from the close of each half year (i.e. March 31 & September 30) or mailed to the Unit holders.					
Loads (For Lumpsum Purchases and Investments through SIP/STP)	Entry Load: Not Applicable Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder. <table><tr><td>Exit Load: Short Term Plan and Long Term Plan:<ul style="list-style-type: none">In respect of each purchase / switch-in of units, an Exit Load of 1.00% is payable if Units are redeemed / switched-out within 1 year from the date of allotment.No Exit Load is payable if Units are redeemed / switched-out after 1 year from the date of allotment.</td><td>Exit Load: Savings Plan, Treasury Advantage Plan and Call Plan: Nil</td><td>Exit Load: HLF, HLF-Premium Plan & Premium Plus Plan: Nil</td></tr></table> No Entry / Exit Load shall be levied on bonus units and units allotted on dividend reinvestment. For further details on load structure refer to the section 'Load Structure' on Pages 89-90.			Exit Load: Short Term Plan and Long Term Plan: <ul style="list-style-type: none">In respect of each purchase / switch-in of units, an Exit Load of 1.00% is payable if Units are redeemed / switched-out within 1 year from the date of allotment.No Exit Load is payable if Units are redeemed / switched-out after 1 year from the date of allotment.	Exit Load: Savings Plan, Treasury Advantage Plan and Call Plan: Nil	Exit Load: HLF, HLF-Premium Plan & Premium Plus Plan: Nil
Exit Load: Short Term Plan and Long Term Plan: <ul style="list-style-type: none">In respect of each purchase / switch-in of units, an Exit Load of 1.00% is payable if Units are redeemed / switched-out within 1 year from the date of allotment.No Exit Load is payable if Units are redeemed / switched-out after 1 year from the date of allotment.	Exit Load: Savings Plan, Treasury Advantage Plan and Call Plan: Nil	Exit Load: HLF, HLF-Premium Plan & Premium Plus Plan: Nil				

HIGHLIGHTS/SUMMARY OF THE SCHEME(S) (CONTD.)

Name of the Scheme	HDFC MF Monthly Income Plan (HMIP)	HDFC Cash Management Fund (HCMF)	HDFC Liquid Fund (HLF)
Minimum Application Amount (under each Plan/Option)	<p>Short Term Plan: Purchase: Growth & Quarterly Dividend Option : ₹ 5,000 and any amount thereafter under each Option.</p> <p>Monthly Dividend Option: ₹ 25,000 and any amount thereafter.</p> <p>Additional Purchase: ₹ 1,000 and any amount thereafter.</p> <p>Long Term Plan: Purchase: Growth & Quarterly Dividend Option: ₹ 5,000 and any amount thereafter under each Option.</p> <p>Monthly Dividend Option: ₹ 25,000 and any amount thereafter.</p> <p>Additional Purchase: ₹ 1,000 and any amount thereafter.</p>	<p>Savings and Call Plan: Under Each Option:</p> <p>Purchase: ₹ 10,000 and any amount thereafter.</p> <p>Additional Purchase: ₹ 5,000 and any amount thereafter.</p> <p>Treasury Advantage Plan - Retail Option: Growth, Weekly and Monthly Dividend Option:</p> <p>Purchase: ₹ 5,000 and any amount thereafter.</p> <p>Additional Purchase: ₹ 1,000 and any amount thereafter.</p> <p>Daily Dividend Option:</p> <p>Purchase: ₹ 10,000 and any amount thereafter.</p> <p>Additional Purchase: ₹ 5,000 and any amount thereafter.</p> <p>Treasury Advantage Plan - Wholesale Option:</p> <p>Purchase: ₹ 1 Crore and any amount thereafter.</p> <p>Additional Purchase: ₹ 1 and any amount thereafter.</p>	<p>HLF - Purchase: ₹ 10,000 and any amount thereafter.</p> <p>Additional Purchase: ₹ 5,000 and any amount thereafter.</p> <p>HLF - Premium Plan - Purchase: ₹ 5 crore and any amount thereafter.</p> <p>HLF - Premium Plus Plan - Purchase: ₹ 20 crore and any amount thereafter.</p> <p>HLF - Premium Plan & Premium Plus Plan - Additional Purchase: ₹ 1 and any amount thereafter.</p>

APPLICABLE TO ALL SCHEMES

Dematerialization of Units	<p>The Unit holders would have an option to hold the Units in electronic (dematerialized) form or account statement (non-demat) form. However, this facility is not available in case of units offered under the Daily/ Weekly/Fortnightly Dividend Option(s). Units held in Demat Form are freely transferable. The Applicant intending to hold Units in dematerialized form will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units.</p> <p>Unitholders are requested to note that request for conversion of units held in Account Statement (non-demat) form into Demat (electronic) form should be submitted to their Depository Participants.</p>
Transaction Charges	<p>In accordance with SEBI circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, HDFC Asset Management Company Limited ("the AMC")/Mutual Fund shall deduct the Transaction Charges on purchase / subscription received from the investors investing through a valid ARN Holder i.e. AMFI registered Distributor (provided the distributor has opted to receive the Transaction Charges) as under:</p> <p>(i) First Time Mutual Fund Investor (across Mutual Funds): Transaction Charge of ₹ 150/- per purchase / subscription of ₹ 10,000/- and above will be deducted from the purchase / subscription amount for payment to the distributor of such investor and the balance shall be invested.</p> <p>(ii) Investor other than First Time Mutual Fund Investor: Transaction Charge of ₹ 100/- per purchase / subscription of ₹ 10,000/- and above will be deducted from the purchase/ subscription amount for payment to the distributor of such investor and the balance shall be invested.</p> <p>TRANSACTION CHARGES IN CASE OF INVESTMENTS THROUGH SIP: Transaction Charges in case of investments through SIP are deductible only if the total commitment of investment (i.e. amount per SIP installment x No. of installments) amounts to ₹ 10,000 or more. In such cases, Transaction Charges shall be deducted in 3-4 installments.</p> <p>It may be noted that Transaction Charges shall not be deducted:</p> <ol style="list-style-type: none"> where the distributor of the investor has not opted to receive any Transaction Charges; for purchases / subscriptions / total commitment amount in case of SIP of an amount less than ₹ 10,000/-; for transactions other than purchases / subscriptions relating to new inflows i.e. through Switches / Systematic Transfers/ Dividend Transfers/ Dividend Reinvestment, etc.; for purchases / subscriptions made directly with the Fund (i.e. not through any distributor); for purchases / subscriptions routed through Stock Exchange(s) as applicable. <p>For further details on Transaction Charges, refer to the section 'Transaction Charges' on Page 88.</p>

I. INTRODUCTION

A. RISK FACTORS

■ Standard Risk Factors:

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the Scheme(s) invests fluctuates, the value of your investment in the Scheme(s) may go up or down depending on the various factors and forces affecting the capital markets and money markets.
- Past performance of the Sponsors and their affiliates / AMC / Mutual Fund does not guarantee future performance of the Scheme(s) of the Mutual Fund.
- The name of the Scheme(s) do not in any manner indicate either the quality of the Scheme(s) or their future prospects and returns.
- The Sponsors are not responsible or liable for any loss resulting from the operation of the Scheme(s) beyond the initial contribution of ₹1 lakh each made by them towards setting up the Fund.
- The present Scheme(s) are not guaranteed or assured return scheme(s).

■ Scheme Specific Risk Factors

Some of the specific risk factors related to the Scheme(s) include, but are not limited to the following:

(i) Risk factors associated with investing in equities and equity related instruments

- Equity shares and equity related instruments are volatile and prone to price fluctuations on a daily basis. Investments in equity shares and equity related instruments involve a degree of risk and investors should not invest in the Scheme(s) unless they can afford to take the risks.
- While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges and may lead to the Scheme(s) incurring losses till the security is finally sold.
- Investment strategy to be adopted by the Scheme(s) may carry the risk of significant variance between the portfolio allocation of the Scheme(s) and the Benchmark particularly over a short to medium term period.
- Scheme's performance may differ from the benchmark index to the extent of the investments held in the equity segment, as per the investment pattern indicated under normal circumstances.

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

- The Net Asset Value (NAV) of the Scheme(s), to the extent invested in Debt and Money Market securities, will be affected by changes in the general level of interest rates. The NAV of the Scheme(s) is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.
- Money market securities, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of the Scheme(s) and may lead to the Scheme(s) incurring losses till the security is finally sold.
- Investment in Debt Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer.

- Government securities where a fixed return is offered run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. The new level of interest rate is determined by the rates at which government raises new money and/or the price levels at which the market is already dealing in existing securities. The price-risk is not unique to Government Securities. It exists for all fixed income securities. However, Government Securities are unique in the sense that their credit risk generally remains zero. Therefore, their prices are influenced only by movement in interest rates in the financial system.
- Different types of fixed income securities in which the Scheme(s) would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the Scheme(s) risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities. Further even among corporate bonds, bonds, which are AAA rated, are comparatively less risky than bonds, which are AA rated.
- The AMC may, considering the overall level of risk of the portfolio, invest in lower rated / unrated securities offering higher yields as well as zero coupon securities that offer attractive yields. This may increase the absolute level of risk of the portfolio.
- As zero coupon securities do not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio.
- The Scheme(s) at times may receive large number of redemption requests, leading to an asset-liability mismatch and therefore, requiring the investment manager to make a distress sale of the securities leading to realignment of the portfolio and consequently resulting in investment in lower yield instruments.

(iii) General Risk Factors

- Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme(s). Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. The NAV of the Units of the Scheme(s) can go up or down because of various factors that affect the capital markets in general.
- As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or restructuring of the Scheme(s). In view of the above, the Trustee has the right, in its sole discretion, to limit redemptions (including suspending redemptions) under certain circumstances, as described on **Page 56** under **"Right to Limit Redemptions"** in Section **'Restrictions, if any, on the right to freely retain or dispose of units being offered'**.

- At times, due to the forces and factors affecting the capital market, the Scheme(s) may not be able to invest in securities falling within its investment objective resulting in holding the monies collected by it in cash or cash equivalent or invest the same in other permissible securities / investments amounting to substantial reduction in the earning capability of the Scheme(s).
- Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The AMC may choose to invest in unlisted securities that offer attractive yields. This may increase the risk of the portfolio.
- Performance of the Scheme may be affected by political, social, and economic developments, which may include changes in government policies, diplomatic conditions, and taxation policies.

(iv) Risk factors associated with investing in Foreign Securities

• **Currency Risk:**

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

• **Interest Rate Risk:**

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

• **Credit Risk:**

Investment in Foreign Debt Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer. This is substantially reduced since the SEBI (MF) Regulations stipulate investments only in debt instruments with rating not below investment grade by accredited/registered credit rating agency.

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

(v) Risk factors associated with investing in Derivatives

- The AMC, on behalf of the Scheme(s) may use various derivative products, from time to time, in an attempt to protect the value of the portfolio and enhance Unit holders' interest. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Other risks include, the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends

upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

- The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

(vi) Risk factors associated with investing in Securitised Debt

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

• **Limited Liquidity & Price Risk**

There is no assurance that a deep secondary market will develop for the Certificates. This could limit the ability of the investor to resell them.

• **Limited Recourse, Delinquency and Credit Risk**

The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and do not represent an obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts to the Certificate Holders may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of a Obligor to repay his obligation, the Servicer may repossess and sell the Asset. However many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realise the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.

• **Risks due to possible prepayments and Charge Offs**

In the event of prepayments, investors may be exposed to changes in tenor and yield. Also, any Charge Offs would result in the reduction in the tenor of the Pass Through Certificates (PTCs).

• **Bankruptcy of the Swap Bank**

If the Swap Bank, becomes subject to bankruptcy proceedings then an Investor could experience losses or delays in the payments due under the Interest Rate Swap Agreement.

• **Risk of Co-mingling**

With respect to the Certificates, the Servicer will deposit all payments received from the Obligor into the Collection Account. However, there could be a time gap between collection by a Servicer and depositing the same into the Collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the Loan Agreements may not be segregated from other funds of originator. If originator in its capacity as Servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss.

(vii) Risk factors associated with Securities Lending

As with other modes of extensions of credit, there are risks inherent to securities lending, including the risk of failure of the

other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary.

(viii) Risk factors associated with processing of transaction through Stock Exchange Mechanism

The trading mechanism introduced by the stock exchange(s) is configured to accept and process transactions for mutual fund units in both Physical and Demat Form. The allotment and/or redemption of Units through NSE and/or BSE or any other recognised stock exchange(s), on any Business Day will depend upon the modalities of processing viz. collection of application form, order processing/settlement, etc. upon which the Fund has no control. Moreover, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by respective recognized stock exchange(s).

(ix) Related to HFRIF

Basis Risk:

As the Scheme will invest in floating rate instruments, the Scheme could be exposed to the interest rate risk (a) to the extent of time gap in resetting of the benchmark rates and (b) to the extent the benchmark index fails to capture the interest rate movement.

Settlement Risk:

In the case of swapping a fixed rate return for a floating return, there may be an additional risk of counter party who will pay floating rate return and receive fixed rate return.

Liquidity Risk:

Due to the evolving nature of floating rate market, there may be an increased risk of liquidity risk in the portfolio from time to time.

Benchmark Risk:

The floating rate segment of the domestic debt market is in a nascent stage. As the floating rate segment develops further, more benchmarks for floating papers may be available in future. The fewer number of benchmarks currently present could reduce the choice of an appropriate benchmark for certain instruments.

Interest Rate Risk:

Floating rate debt instruments, on account of periodical interest rate reset, carry a lower interest rate risk as compared to fixed rate debt instruments. Consequently, in a downward interest rate scenario the returns on floating rate debt instruments may not be better than those on fixed rate debt instruments.

(x) Related to HSTOF

Risk Mitigation Strategy:

- As the Scheme has a cap on maturity of a security, it shall anchor investors with a similar investment horizon. However to mitigate liquidity risk, the Scheme shall invest in marketable securities, which shall be used to meet redemption. On expectation of redemption in future, the Scheme may suitably increase cash / money market component.
- Fixed Income schemes/portfolios having predominant or higher proportion in securities with maturities of more than 30 months bucket are likely to have more volatility. This Scheme may have relatively lower volatility since interest rate risk has been capped by limiting the maturity of the

securities to a period not exceeding 30 months.

(xi) Related to HMTOF

Risk Mitigation Strategy:

- As the Scheme has a cap on maturity of a security, it shall anchor investors with a similar investment horizon. However to mitigate liquidity risk, the Scheme shall invest in marketable securities, which shall be used to meet redemption. On expectation of redemption in future, the Scheme may suitably increase cash / money market component.
- Fixed Income schemes/portfolios having predominant or higher proportion in securities with maturities of more than 60 months bucket are likely to have more volatility. This Scheme may have relatively lower volatility since interest rate risk has been capped by limiting the maturity of the securities to a period not exceeding 60 months.

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME(S)

The Scheme(s)/Plan(s) shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme(s)/Plan(s) (at portfolio level). The two conditions mentioned above shall be complied within each subsequent calendar quarter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25% limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

C. SPECIAL CONSIDERATIONS, IF ANY

- The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any of the tax consequences that may arise, in the event that the Scheme(s) are wound up for the reasons and in the manner provided in 'Statement of Additional Information ('SAI')'.
- Redemption by the Unit holder due to change in the fundamental attributes of the Scheme(s) or due to any other reasons may entail tax consequences. The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any such tax consequences that may arise.
- The tax benefits described in this Scheme Information Document and Statement of Additional Information are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advice received by the AMC regarding the law and practice currently in force in India and the Unit holders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unit holder is advised to consult his / her own professional tax advisor.
- Investors should study this Scheme Information Document & the Statement of Additional Information carefully in its entirety and should not construe the contents as advice relating to legal, taxation, investment or any other matters. Investors are advised to consult their legal, tax, investment and other professional advisors to determine possible legal, tax, financial or other considerations of subscribing to or

redeeming units, before making a decision to invest / redeem Units.

- In the event of substantial investment by the Sponsors and their associates in the Scheme(s) of the Mutual Fund, Redemption of Units by these entities may have an adverse impact on the performance of the Scheme(s) and this may also affect the ability of other Unit holders to redeem their Units.
- Neither this Scheme Information Document nor the Units have been registered in any jurisdiction. The Investors may take note that the Scheme(s) may in future be registered/ recognized in any other applicable jurisdiction, by the AMC as and when it desires. The distribution of this Scheme Information Document in certain jurisdictions may be restricted or totally prohibited to registration requirements and accordingly, persons who come into possession of this Scheme Information Document are required to inform themselves about and to observe any such restrictions and or legal compliance requirements.
- Any dispute arising out of the Scheme(s) shall be subject to the exclusive jurisdiction of the Courts in India. Statements in this Scheme Information Document are, except where otherwise stated, based on the law, practice currently in force in India, and are subject to changes therein.
- No person has been authorised to issue any advertisement or to give any information or to make any representations other than that contained in this Scheme Information Document. Circulars in connection with this offering not authorised by the Mutual Fund and any information or representations not contained herein must not be relied upon as having been authorized by the Mutual Fund.

- The Mutual Fund may disclose details of the investor's account and transactions there under to those intermediaries whose stamp appears on the application form. In addition, the Mutual Fund may disclose such details to the bankers / its agents, as may be necessary for the purpose of effecting payments to the investor. Further, the Mutual Fund may disclose details of the investor's account and transactions thereunder to any Regulatory/Statutory entities as per the provisions of law.

- Mutual funds and securities investments are subject to market risks and there can be no assurance or guarantee that the Scheme(s) objectives will be achieved. Investors should study this Scheme Information Document & the Statement of Additional Information carefully in its entirety before investing.

- In terms of the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML Laws), all intermediaries, including Mutual Funds, have to formulate and implement a client identification programme, verify and maintain the record of identify and address(es) of investors.

If after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, failure to provide required documentation, information, etc. the AMC shall have absolute discretion to report such suspicious transactions to FIU-IND and / or to freeze the folios of the investor(s), reject any application(s) / allotment of units and effect mandatory redemption of unit holdings of the investor(s) at the applicable NAV subject to payment of exit load, if any.

D. DEFINITIONS

In this Scheme Information Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

"AMC" or "Asset Management Company" or "Investment Manager"	HDFC Asset Management Company Limited, incorporated under the provisions of the Companies Act, 1956 and approved by Securities and Exchange Board of India to act as the Asset Management Company for the scheme(s) of HDFC Mutual Fund.
"AMFI Certified Stock Exchange Brokers"	A person who is registered with AMFI as Mutual Fund Advisor and who has signed up with HDFC Asset Management Company Limited and also registered with BSE & NSE as Participant.
"ARN Holder"/"AMFI registered Distributors"	Intermediary registered with Association of Mutual Funds in India (AMFI) to carry out the business of selling and distribution of mutual fund units and having AMFI Registration Number (ARN) allotted by AMFI.
"Applicable NAV"	The NAV applicable for purchase or redemption or switching of Units based on the time of the Business Day on which the application is accepted, subject to the provisions of 'cut off timings' as described in this Scheme Information Document.
"Beneficial owner"	Beneficial owner as defined in the Depositories Act 1996 (22 of 1996) means a person whose name is recorded as such with a depository.
"Book Closure"	The time during which the Asset Management Company would temporarily suspend sale, redemption and switching of Units.
"BSE SENSEX" or "the SENSEX"	The Index of BSE Limited, comprising of, at present, thirty equity securities, the composition and the criteria of which are determined by BSE Limited from time to time.
"Business Day"	A day other than: (i) Saturday and Sunday; (ii) A day on which the banks in Mumbai and / RBI are closed for business / clearing; (iii) A day on which the National Stock Exchange of India Limited is closed; (iv) A day which is a public and /or bank holiday at an Investor Service Centre where the application is received;

	<p>(v) A day on which Sale / Redemption / Switching of Units is suspended by the AMC;</p> <p>(vi) A day on which normal business cannot be transacted due to storms, floods, bandhs, strikes or such other events as the AMC may specify from time to time.</p> <p>Further, in case of HLF and HCMF-Savings Plan & Call Plan, the day(s) on which the money markets are closed / not accessible, shall not be treated as Business Day(s).</p> <p>The AMC reserves the right to declare any day as a Business Day or otherwise at any or all Investor Service Centres.</p>
"Business Hours"	Presently 9.30 a.m. to 5.30 p.m. on any Business Day or such other time as may be applicable from time to time.
"Clearing Member" or "CM"	Clearing Members are members of the Clearing Houses / Clearing Corporations who facilitate settlement of trades done on stock exchanges.
"Combined Scheme Information Document" or "SID"	This document issued by HDFC Mutual Fund, offering for subscription of Units of twelve unlinked Schemes (including Plans and Options thereunder) viz; HIF, HHIF, HSTP, HSTOF, HMTOF, HFRIF, HGILT, HMYF, HMYF'05, HMIP, HCMF and HLF.
"Consolidated Account Statement"	Consolidated Account Statement is a statement containing details relating to all the transactions across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions, etc. (including transaction charges paid to the distributor) and holding at the end of the month.
"Custodian"	A person who has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations 1996, which for the time being are HDFC Bank Limited and Citibank N. A. [as applicable to the respective Scheme(s)].
"Depository"	Depository as defined in the Depositories Act, 1996 (22 of 1996) and in this SID refers to National Securities Depository Ltd (NSDL) and Central Depository Services Ltd (CDSL).
"Depository Participant" or "DP"	'Depository Participant' means a person registered as such under subsection (1A) of section 12 of the Securities and Exchange Board of India Act, 1992.
"Derivative"	Derivative includes (i) a security derived from a debt instrument, share, loan whether secured or unsecured, risk instrument or contract for differences or any other form of security; (ii) a contract which derives its value from the prices, or index of prices, or underlying securities.
"Dividend"	Income distributed by the Mutual Fund on the Units.
"Entry Load" or "Sales Load"	Load on Sale / Switch in of Units.
"Equity Related Instruments"	"Equity Related Instruments" includes convertible bonds and debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives and any other like instrument.
"Exit Load" or "Redemption Load"	Load on Redemption / Switch out of Units.
"FII"	Foreign Institutional Investor, registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
"Floating Rate Debt Instruments"	<p>Floating rate debt instruments are debt securities issued by Central and / or State Government, corporates or PSUs with interest rates that are reset periodically. The periodicity of the interest reset could be daily, monthly, quarterly, half-yearly, annually or any other periodicity that may be mutually agreed with the issuer and the Fund.</p> <p>The interest on the instruments could also be in the nature of fixed basis points over the benchmark gilt yields.</p>
"Foreign Securities"	Securities as specified in the SEBI circular- SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007 and any subsequent amendments thereto specified by SEBI and/or RBI from time to time.
"Gilts" or "Government Securities"	Securities created and issued by the Central Government and/or a State Government (including Treasury Bills) or Government Securities as defined in the Public Debt Act, 1944, as amended or re-enacted from time to time.
"Holiday"	Holiday means the day(s) on which the banks (including the Reserve Bank of India) are closed for business or clearing in Mumbai or their functioning is affected due to a strike / bandh call made at any part of the country or due to any other reason.

"Investment Management Agreement"	The agreement dated June 8, 2000 entered into between HDFC Trustee Company Limited and HDFC Asset Management Company Limited, as amended from time to time.
"Investor Service Centres" or "ISCs"	Designated Offices of HDFC Asset Management Company Limited or such other centres / offices as may be designated by the AMC from time to time.
"Load"	In the case of Redemption / Switch out of a Unit, the sum of money deducted from the Applicable NAV on the Redemption / Switch out and in the case of Sale / Switch in of a Unit, a sum of money to be paid by the prospective investor on the Sale / Switch in of a Unit in addition to the Applicable NAV.
"Money Market Instruments"	Includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills and any other like instruments as specified by the Reserve Bank of India from time to time.
"Mutual Fund" or "the Fund"	HDFC Mutual Fund, a trust set up under the provisions of the Indian Trusts Act, 1882.
"Multiple Yield" (Applicable to HMYF & HMYF'05)	Multiple Yield includes two sources of yields. viz. i) Dividends received on equity investments ii) Yield on the fixed income portion of portfolio.
"Net Asset Value" or "NAV"	Net Asset Value per Unit of the Scheme(s), calculated in the manner described in this Scheme Information Document or as may be prescribed by the SEBI (MF) Regulations from time to time.
"NRI"	A Non-Resident Indian or a person of Indian origin residing outside India.
"Official Points of Acceptance"	Places, as specified by AMC from time to time where application for subscription / redemption / switch will be accepted on ongoing basis.
"Person of Indian Origin"	A citizen of any country other than Bangladesh or Pakistan, if (a) he at any time held an Indian passport; or (b) he or either of his parents or any of his grand parents was a citizen of India by virtue of Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or person referred to in sub-clause (a) or (b).
"Plans"	Shall include and mean any prospective Plan(s) issued by the Scheme(s) in accordance with SEBI (MF) Regulations and other Plan(s) issued under the Schemes of HDFC Mutual Fund.
"Rating"	Rating means an opinion regarding securities, expressed in the form of standard symbols or in any other standardised manner, assigned by a credit rating agency and used by the issuer of such securities, to comply with any requirement of the SEBI (Credit Rating Agencies) Regulations, 1999.
"RBI"	Reserve Bank of India, established under the Reserve Bank of India Act, 1934, (2 of 1934)
"Registrar and Transfer Agent" or "RTA"	Computer Age Management Services Pvt. Limited (CAMS) Chennai, currently acting as registrar to the Scheme, or any other registrar appointed by the AMC from time to time.
"Redemption / Repurchase"	Redemption of Units of the Scheme as permitted.
"Regulatory Agency"	Government of India, SEBI, RBI or any other authority or agency entitled to issue or give any directions, instructions or guidelines to the Mutual Fund.
"Repo"	Sale of Government Securities with simultaneous agreement to repurchase / resell them at a later date.
"Reverse Repo"	Purchase of Government Securities with a simultaneous agreement to sell them at a later date.
"SAI" or "Statement of Additional Information"	The document issued by HDFC Mutual Fund containing details of HDFC Mutual Fund, its constitution, and certain tax, legal and general information. SAI is legally a part of the Scheme Information Document.
"Sale / Subscription"	Sale or allotment of Units to the Unit holder upon subscription by the investor / applicant under the Scheme.
"Scheme(s)" or "Scheme"	HIF, HHIF, HSTP, HSTOF, HMTOF, HFRIF, HGILT, HMYF, HMYF'05, HMIP, HCMF and HLF (including Plans and Options thereunder), collectively referred to as 'the Scheme(s)' and individually, as the context permits, as 'the Scheme'.
"SEBI"	Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992.
"SEBI (MF) Regulations" or "Regulations"	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time.

"Short Selling"	Short selling means selling a stock which the seller does not own at the time of trade.
"Sponsors" or "Settlers"	Housing Development Finance Corporation Limited and Standard Life Investments Limited.
"Switch"	Redemption of a unit in any scheme (including the plans / options therein) of the Mutual Fund against purchase of a unit in another scheme (including the plans / options therein) of the Mutual Fund, subject to completion of Lock-in Period, if any.
"Stock Lending"	Lending of securities to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio.
"Trust Deed"	The Trust Deed dated June 8, 2000 made by and between HDFC and HDFC Trustee Company Limited ("Trustee"), thereby establishing an irrevocable trust, called HDFC Mutual Fund and deed of variations dated June 11, 2003 and June 19, 2003.
"Unit"	The interest of the Unit holder which consists of each Unit representing one undivided share in the assets of the Scheme.
"Unit holder" or "Investor"	A person holding Unit in the Scheme(s) of HDFC Mutual Fund offered under this Scheme Information Document.

INTERPRETATION

For all purposes of this Scheme Information Document, except as otherwise expressly provided or unless the context otherwise requires:

- all references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa.
- all references to "dollars" or "\$" refer to United States Dollars and "₹" refer to Indian Rupees. A "crore" means "ten million" and a "lakh" means a "hundred thousand".
- all references to timings relate to Indian Standard Time (IST).

E. ABBREVIATIONS

In this Scheme Information Document the following abbreviations have been used.

ADR	American Depositary Receipts
AMC	Asset Management Company
AMFI	Association of Mutual Funds in India
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CBLO	Collateralised Borrowing & Lending Obligations
CDSL	Central Depository Services Limited
DP	Depository Participant
ECS	Electronic Clearing System
EFT	Electronic Funds Transfer
FCNR A/c	Foreign Currency (Non-Resident) Account
FII	Foreign Institutional Investor
GDR	Global Depositary Receipts
HCMF	HDFC Cash Management Fund
HFRIF	HDFC Floating Rate Income Fund
HGILT	HDFC Gilt Fund
HHIF	HDFC High Interest Fund
HHIF - STP	HDFC High Interest Fund - Short Term Plan
HIF	HDFC Income Fund
HLF	HDFC Liquid Fund
HMIP	HDFC MF Monthly Income Plan
HMTOF	HDFC Medium Term Opportunities Fund
HMYF	HDFC Multiple Yield Fund
HMYF'05	HDFC Multiple Yield Fund - Plan 2005
HSTOF	HDFC Short Term Opportunities Fund
HSTP	HDFC Short Term Plan

ISC	Investor Service Centre
KYC	Know Your Customer
MIBOR	Mumbai Inter-Bank Offer Rate
NAV	Net Asset Value
NEFT	National Electronic Funds Transfer
NRE A/c	Non-Resident (External) Rupee Account
NRI	Non-Resident Indian
NRO A/c	Non-Resident Ordinary Rupee Account
NSDL	National Depositories Services Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
RBI	Reserve Bank of India
RTA	Registrar and Transfer Agent
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SIP	Systematic Investment Plan
STP	Systematic Transfer Plan
SWAP	Systematic Withdrawal Advantage Plan

F. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

- This Combined Scheme Information Document has been prepared in terms of SEBI Circular SEBI/IMD/CIR No. 5/126096/08 dated May 23, 2008 and is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- All legal requirements connected with the launching of the Scheme(s) as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- The disclosures made in the Combined Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the scheme(s).
- The intermediaries named in the Combined Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

Place : Mumbai
Date : April 30, 2012

Signed : sd/-
Name : **Yezdi Khariwala**
Designation : *Chief Compliance Officer*

II. INFORMATION ABOUT THE SCHEME(S)

A. TYPE OF THE SCHEME(S) :

Name of the Scheme(s)	Type of the Scheme
HDFC Income Fund	Open-ended Income Scheme
HDFC High Interest Fund (includes HDFC High Interest Fund - Short Term Plan)	Open-ended Income Scheme
HDFC Short Term Plan	Open-ended Income Scheme
HDFC Short Term Opportunities Fund	Open-ended Income Scheme
HDFC Medium Term Opportunities Fund	Open-ended Income Scheme
HDFC Floating Rate Income Fund	Open-ended Income Scheme
HDFC Gilt Fund	Open-ended Income Scheme
HDFC Multiple Yield Fund	Open-ended Income Scheme
HDFC Multiple Yield Fund - Plan 2005	Open-ended Income Scheme
HDFC MF Monthly Income Plan	Open-ended Income Scheme. <i>Monthly Income is not assured and is subject to availability of distributable surplus.</i>
HDFC Cash Management Fund	Savings Plan and Call Plan: Open-ended High Liquidity Income Scheme Treasury Advantage Plan: Open-ended Income Scheme
HDFC Liquid Fund	Open-ended Liquid Income Scheme

B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME(S)?

HDFC Income Fund:

The investment objective of the Scheme is to optimise returns while maintaining a balance of safety, yield and liquidity.

HDFC High Interest Fund:

The investment objective of the Scheme is to generate income by investing in a range of debt and money market instruments of various maturity dates with a view to maximising income while maintaining the optimum balance of yield, safety and liquidity.

HDFC High Interest Fund - Short Term Plan:

The investment objective of the Scheme is to generate income by investing in a range of debt and money market instruments of various maturity dates with a view to maximising income while maintaining the optimum balance of yield, safety and liquidity. The objective is to cater to the needs of investors with shorter term investment horizons and to provide stable returns over shorter periods.

HDFC Short Term Plan:

The investment objective of the Scheme is to generate regular income through investment in debt securities and money market instruments.

HDFC Short Term Opportunities Fund:

The investment objective of the Scheme is to generate regular income through investments in Debt/Money Market Instruments and Government Securities with maturities not exceeding 30 months.

HDFC Medium Term Opportunities Fund:

The investment objective of the Scheme is to generate regular income through investments in Debt/Money Market Instruments and Government Securities with maturities not exceeding 60 months.

HDFC Floating Rate Income Fund:

The investment objective of the Scheme is to generate regular income through investment in a portfolio comprising substantially of floating rate debt / money market instruments, fixed rate debt / money market instruments swapped for floating rate returns, and fixed rate debt securities and money market instruments.

HDFC Gilt Fund:

The investment objective of the Scheme is to generate credit risk free returns through investments in sovereign securities issued by the Central Government and/or State Government.

HDFC Multiple Yield Fund

The investment objective of the Scheme is to generate positive returns over medium time frame with low risk of capital loss over medium time frame. However, there can be no assurance that the investment objective of the Scheme will be achieved.

HDFC Multiple Yield Fund - Plan 2005:

The investment objective of the Scheme is to generate positive returns over medium time frame with low risk of capital loss over medium time frame. However, there can be no assurance that the investment objective of the Scheme will be achieved.

HDFC MF Monthly Income Plan:

The primary objective of the Scheme is to generate regular returns through investment primarily in Debt and Money Market Instrument. The secondary objective of the Scheme is to generate long-term capital appreciation by investing a portion of the Scheme's assets in equity and equity related instruments. However, there can be no assurance that the investment objective of the Scheme will be achieved.

HDFC Cash Management Fund:

- **Savings Plan & Call Plan:** To generate optimal returns while maintaining safety and high liquidity. The specific objective of the Call Plan is to generate returns that would endeavor to be in line with the overnight call rates. The interest rate risk in this Plan will be almost nil.
- **Treasury Advantage Plan:** To generate regular income through investment in debt securities and money market instruments.

HDFC Liquid Fund:

The investment objective of the Scheme is to enhance income consistent with a high level of liquidity, through a judicious portfolio mix comprising of money market and debt instruments.

C. HOW WILL THE SCHEME(S) ALLOCATE ITS ASSETS ?

The table(s) below provides the broad asset allocation of the Scheme(s) Portfolio to be followed under normal circumstances :

HDFC INCOME FUND

The Scheme will retain the flexibility to invest in the entire range of debt and money market instruments. The flexibility is being retained to adjust the portfolio in response to a change in the risk to return equation for asset classes under investment, with a view to maintain risks within manageable limits.

Under normal circumstances, the asset allocation of the Scheme's portfolio will be as follows:

Sr. No.	Type of Instruments	Normal Allocation (% of Net Assets)	Normal Deviation (% of Normal Allocation)	Risk Profile
1.	Debt instruments (including securitised debt)	80 - 100	50	Low to Medium
2.	Money Market instruments (including cash / CBLO / Reverse Repo)	0 - 20	50	Low

Please refer to **Page 22** for investment by the Scheme in ADR/GDR/Foreign Securities and Derivatives.

HDFC HIGH INTEREST FUND

Under normal circumstances, the asset allocation (as a % of Net Assets) of the Scheme's portfolio will be as follows:

Type of Instruments	% of Net Assets	Risk Profile
Debt and Money market instruments*	100	Low to Medium

*Investment in Securitised debt, if undertaken, would not exceed 30% of the net assets of the Scheme.

Please refer to **Page 22** for investment by the Scheme in ADR/GDR/Foreign Securities and Derivatives.

HDFC HIGH INTEREST FUND - SHORT TERM PLAN

Under normal circumstances, the asset allocation (as a % of Net Assets) of the Plan's portfolio under the Scheme will be as follows:

Type of Instruments	% of Net Assets	Risk Profile
Debt, money market and related instruments with a maturity more than two years (including securitised debt upto a maximum limit of 25%)	Upto 50	Low to medium
Debt, money market and related instruments with a maturity less than two years (including securitised debt upto a maximum limit of 25%)	Upto 100	Low

Please refer to **Page 22** for investment by the Scheme in ADR/GDR/Foreign Securities and Derivatives.

HDFC SHORT TERM PLAN

Under normal circumstances, the asset allocation (as a % of Net Assets) of the Scheme's portfolio will be as follows:

Type of Instruments	Normal Allocation	Normal Deviation	Risk Profile
Debt Securities	60%	upto 33.33%	Low to Medium
Money Market Instruments	40%	upto 50%	Low

It is the intention of the Scheme that the investments in securitised debts will not, normally, exceed 60% of the Net Assets of the Scheme.

Please refer to **Page 22** for investment by the Scheme in ADR/GDR/Foreign Securities and Derivatives.

HDFC SHORT TERM OPPORTUNITIES FUND

Under normal circumstances, the asset allocation (as a % of Net Assets) of the Scheme's portfolio will be as follows:

Type of Instruments	Minimum Allocation (% of Net Assets)	Maximum Allocation (% of Net Assets)	Risk Profile
Debt and Money Market Instruments (including securitised debt#)	60	100	Low to Medium
Government Securities	0	40	Low

Investments in securitised debt, if undertaken, shall not normally exceed 75% of the net assets of the Scheme.

Please refer to **Page 22** for investment by the Scheme in ADR/GDR/Foreign Securities and Derivatives.

HDFC MEDIUM TERM OPPORTUNITIES FUND

Under normal circumstances, the asset allocation (as a % of Net Assets) of the Scheme's portfolio will be as follows:

Type of Instruments	Minimum Allocation (% of Net Assets)	Maximum Allocation (% of Net Assets)	Risk Profile
Debt and Money Market Instruments (including securitised debt#)	60	100	Low to Medium
Government Securities	0	40	Low

Investments in securitised debt, if undertaken, shall not normally exceed 75% of the net assets of the Scheme.

Please refer to **Page 22** for investment by the Scheme in ADR/GDR/Foreign Securities and Derivatives.

HDFC FLOATING RATE INCOME FUND

The Scheme offers investors two Plans :

- Short Term Plan for investors who wish to invest for short time period.
- Long Term Plan for investors who wish to invest for relatively longer time periods.

The Plans (viz. Short Term Plan and Long Term Plan) will be managed as separate investment portfolios.

Under normal circumstances, the asset allocation (as a % of Net Assets) of the respective Plans' portfolio under the Scheme will be as follows:

Type of Instruments	Normal Allocation	Normal Deviation	Risk Profile
Fixed Rate Debt Securities (including securitised debt, Money Market Instruments & Floating Rate Debt Instruments swapped for fixed rate returns)	0 - 25	0 - 50	Low to Medium
Floating Rate Debt Securities (including securitised debt, Money Market Instruments & Fixed Rate Debt Instruments swapped for floating rate returns)	75 - 100	50 - 100	Low to Medium

Please refer to **Page 22** for investment by the Scheme in ADR/GDR/Foreign Securities and Derivatives.

Under normal circumstances at least 75% of the total portfolio will be invested in floating rate debt securities / money market instruments. This may be by way of direct investment in floating rate assets or fixed rate assets swapped for floating rate returns by using derivatives as described later in this section. Similarly under normal circumstances at least 25% of the total portfolio will be invested in fixed rate debt securities / money market

instruments. This may be by way of direct investment in fixed rate assets or floating rate assets swapped for fixed rate returns by using derivatives as described later in this section.

It is the intention of the Scheme that the investments in securitised debts will not, normally exceed 60% of the net assets of the respective plans.

HDFC GILT FUND

The Scheme offers investors 2 Plans each with its own NAV, namely the :

- Short Term Plan for investors who wish to invest for short time period.
- Long Term Plan for investors who wish to invest for relatively longer time periods.

Under normal circumstances, the asset allocation (as a % of Net Assets) of the respective Plans' portfolio under the Scheme will be as follows:

Type of Instruments	Short Term Plan		Long Term Plan		Risk Profile
	Normal Allocation	Normal Deviation	Normal Allocation	Normal Deviation	
Government of India Dated Securities	75%	25%	75%	25%	Sovereign
State Governments Dated Securities	0%	10%	15%	15%	Low
Government of India Treasury Bills	25%	25%	10%	10%	Sovereign

HDFC MULTIPLE YIELD FUND

Under normal circumstances, the asset allocation (as a % of Net Assets) of the Scheme's portfolio will be as follows:

Type of Instruments	Normal Allocation (% of Net Assets)	Maximum Allocation (% of Net Assets)	Risk Profile
Fixed Income Securities (including securitised debt of upto 10% of net assets & Money Market instruments)	85	95	Low to Medium
Equity & Equity related instruments	15	25	High

Please refer to **Page 22** for investment by the Scheme in ADR/GDR/Foreign Securities and Derivatives.

HDFC MULTIPLE YIELD FUND - PLAN 2005

Under normal circumstances, the asset allocation (as a % of Net Assets) of the Scheme's portfolio will be as follows:

Type of Instruments	Minimum Allocation (% of Net Assets)	Maximum Allocation (% of Net Assets)	Risk Profile
Fixed Income Securities (including securitised debt of upto 25% of net assets & Money Market instruments)	80	95	Low to Medium
Equity & Equity related instruments	5	20	High

Please refer to **Page 22** for investment by the Scheme in ADR/GDR/Foreign Securities and Derivatives.

HDFC MF MONTHLY INCOME PLAN

The Scheme offers investors two Plans :

• Short Term Plan

This investment plan is suitable for investors whose investment holding period is expected to be for a short period of time.

• Long Term Plan

This investment plan is suitable for investors whose investment horizon is expected to be for a relatively longer period of time.

The Plans (viz. Short Term Plan and Long Term Plan) will be managed as separate investment portfolios.

Under normal circumstances, the asset allocation (as a % of Net Assets) of the respective Plans' portfolio under the Scheme will be as follows:

Sr. No.	Type of Instruments	Normal Allocation	Deviation	Risk Profile
1.	Debt instruments (including securitised debt) & Money Market instruments (including cash/CBLO/Reverse Repo)	75	100	Low to Medium
2.	Equities & Equity related instruments	25	100	Medium to High

The investments in central and state government securities will not exceed 75% of the net assets of the respective Plans.

It is the intention of the Scheme that the investments in securitised debt will not, normally exceed 75% of the net assets of the respective Plans.

Please refer to **Page 22** for investment by the Scheme in ADR/GDR/Foreign Securities and Derivatives.

HDFC CASH MANAGEMENT FUND

The Scheme offers investors three Plans:

- Savings Plan
- Call Plan
- Treasury Advantage Plan

SAVINGS PLAN

Under normal circumstances, the asset allocation (as a % of Net Assets) of the Plan's portfolio under the Scheme will be as follows:

Type of Instruments	% of Net Assets	Risk Profile
Debt instruments (Including Securitised Debt**)	Upto 100	Low to medium
Money Market Instruments	Upto 100	Very low*

**Investment in Securitised debt, if undertaken, can be undertaken upto 100% of the net assets of the Scheme.

* The 'risk' as mentioned above pertains to the risk of erosion in the value of principal amount only. Although the risk of capital erosion is not normally envisaged in money market instruments, such investments would be subjected to the risk associated with the volatility in interest rates.

Please refer to **Page 22** for investment by the Scheme in ADR/GDR/Foreign Securities and Derivatives.

CALL PLAN

Under normal circumstances, the asset allocation (as a % of Net

Assets) of the Plan's portfolio under the Scheme will be as follows:

Type of Instruments	% of Net Assets	Risk Profile
Debt and Money Market instruments (including MIBOR linked instruments with daily put and call option)	Upto 100	Low to medium

Please refer to **Page 22** for investment by the Scheme in ADR/GDR/Foreign Securities and Derivatives.

HDFC Cash Management Fund - Savings Plan and Call Plan are Liquid Schemes.

The portfolio of HDFC Cash Management Fund – Savings Plan and Call Plan will comply with the following additional investment restrictions in accordance with the SEBI/IMD/CIR No. 13/ 150975/09 dated January 19, 2009:

- The Scheme shall make investment in/ purchase debt and money market securities with maturity of upto 91 days only.
- In case of securities with put and call options (daily or otherwise) the residual maturity shall not be greater than 91 days.

Explanation:

- In case of securities where the principal is to be repaid in a single payout, the maturity of the securities shall mean residual maturity. In case the principal is to be repaid in more than one payout then the maturity of the securities shall be calculated on the basis of weighted average maturity of security.
- In case the maturity of the security falls on a non-business day then settlement of securities will take place on the next business day.
- Inter-scheme transfers of securities held in other schemes having maturity of upto 91 days only shall be permitted in this Scheme.

TREASURY ADVANTAGE PLAN

Under normal circumstances, the asset allocation of the Plan's portfolio under the Scheme will be as follows:

Type of Instruments	Normal Allocation (% of Net Assets)	Normal deviation (% of Normal Allocation)	Risk Profile
Fixed Rate Debt Securities & Money Market Instruments	50	Upto 100	Low to Medium
Floating Rate Debt & Money Market Instruments	50	Upto 100	Low to Medium

It is the intention of the Scheme that the investments in securitised debts will not normally exceed 50% of the net assets of the Scheme.

Please refer to **Page 22** for investment by the Scheme in ADR/GDR/Foreign Securities and Derivatives.

HDFC LIQUID FUND

The Scheme offers investors three Plans :

- HDFC Liquid Fund
- HDFC Liquid Fund - Premium Plan
- HDFC Liquid Fund - Premium Plus Plan

The asset portfolio of the entire Scheme comprising of all the Plans and Options thereunder shall be un-segregated. The per Unit Net Asset Value (NAV) of each Plan and Option thereunder shall be different.

The AMC retains the flexibility to invest across all the securities / instruments in debt and money market. The flexibility is being retained to adjust the portfolio in response to a change in the risk - return equation for asset classes under investment, with view to maintain risks within manageable limits.

Under normal circumstances, the asset allocation of the Scheme's portfolio will be as follows:

Sr. No.	Type of Instruments	Normal* Allocation (% of Net Assets)	Normal Deviation (% of Normal Allocation)	Risk Profile
1.	Money Market Instruments (including cash/CBLO/ Reverse Repo)	50 - 90	50	Low
2.	Debt Instruments (including securitised debt)	10 - 50	50	Low to Medium

* On introduction of cheque writing facility a minimum of 80% of the net assets (as prescribed by RBI) or such other minimum asset allocation as may be prescribed by RBI from time to time will be invested in money market instruments.

Please refer to **Page 22** for investment by the Scheme in ADR/GDR/Foreign Securities and Derivatives.

The portfolio of the Scheme will comply with the following additional investment restrictions in accordance with the SEBI/IMD/CIR No. 13/ 150975/ 09 dated January 19, 2009:

- The Scheme shall make investment in/ purchase debt and money market securities with maturity of upto 91 days only.
- In case of securities with put and call options (daily or otherwise) the residual maturity shall not be greater than 91 days.

Explanation:

- In case of securities where the principal is to be repaid in a single payout, the maturity of the securities shall mean residual maturity. In case the principal is to be repaid in more than one payout then the maturity of the securities shall be calculated on the basis of weighted average maturity of security.
- In case the maturity of the security falls on a non-business day then settlement of securities will take place on the next business day.
- Inter-scheme transfers of securities held in other schemes having maturity of upto 91 days only shall be permitted in this Scheme.

STOCK LENDING BY THE MUTUAL FUND (EXCEPT HDFC GILT FUND)

Subject to the SEBI (MF) Regulations, as applicable from time to time, the Mutual Fund may, if the Trustee permits, engage in Stock Lending. Stock Lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period.

In case of HIF, HSTP, HSTOF, HMTOF, HFRIF, HMYF, HMYF'05, HMIP and HLF, the AMC shall adhere to the following limits should it engage in Stock Lending.

- Not more than 25% of the net assets of the Scheme can generally be deployed in Stock Lending.

2. Not more than 5% of the net assets of the Scheme can generally be deployed in Stock Lending to any single approved intermediary.

In case of HHIF and HCMF, the AMC shall adhere to the following limits should it engage in Stock Lending.

1. The exposure of the Scheme(s) at the time of lending will presently be restricted to 40% of its Total Assets.
2. The exposure to a single approved intermediary will presently not exceed 10% of the Total Assets of the Scheme(s) or ₹ 5 crore whichever is higher.

The Mutual Fund may not be able to sell such lent out securities and this can lead to temporary illiquidity.

Asset Allocation (Contd.) - Applicable to all Scheme(s)

Pending deployment of funds of the Scheme(s) in securities in terms of the investment objective of the Scheme(s) the AMC may park the funds of the Scheme(s) in short term deposits of scheduled commercial banks, subject to the guidelines issued

by SEBI vide its circular dated April 16, 2007, as amended from time to time.

In addition to the instruments stated in the table(s) above, the Scheme(s) may enter into repos/reverse repos as may be permitted by RBI / SEBI. From time to time, the Scheme(s) may hold cash. A part of the net assets may be invested in the Collateralised Borrowing & Lending Obligations (CBLO) or repo or in an alternative investment as may be provided by RBI to meet the liquidity requirements.

Investment by Scheme(s) in ADR/ GDR/ Foreign Securities:

The Scheme(s) (as applicable) may seek investment opportunity in the ADR / GDR / Foreign equity and debt securities subject to SEBI (Mutual Funds) Regulations, 1996. The details of maximum exposure to investment in Foreign Securities is given in Table 1 below.

Investment by Scheme(s) in Derivatives: The Scheme(s) may use derivatives mainly for the purpose of hedging and portfolio balancing, based on the opportunities available subject to SEBI (Mutual Funds) Regulations, 1996. The details of maximum exposure to investment in Derivatives is given in Table 1 below.

Table 1 :

Name of the Scheme	Maximum Exposure for investment in ADR/ GDR/ Foreign Securities	Investment in Derivatives
HDFC Income Fund	Foreign Debt Securities: Upto a maximum 50% of the net assets. The Scheme will not invest in Foreign Securitised Debt.	Upto a maximum of 20% of net assets (including cash)
HDFC High Interest Fund	Foreign Debt Securities and Mutual Funds: Upto a maximum of 20% of the net assets.	Upto a maximum of 25% of net assets (including cash)
HDFC High Interest Fund - Short Term Plan		
HDFC Short Term Plan	Foreign Debt Securities: Upto a maximum 50% of the net assets. The Scheme will not invest in Foreign Securitised Debt.	Upto a maximum of 50% of net assets (including cash)
HDFC Short Term Opportunities Fund	Foreign Debt Securities (including overseas Mutual Funds): Upto a maximum of 75% of the net assets. However, investments in units/securities issued by overseas mutual funds shall not exceed 35% of the net assets.	Upto a maximum 20% of net assets (including cash)
HDFC Medium Term Opportunities Fund		
HDFC Floating Rate Income Fund	Foreign Debt Securities: Upto a maximum 60% of the net assets of the respective Plan(s).	Upto a maximum of 75% of assets (including cash)
HDFC Gilt Fund	Nil	Nil
HDFC Multiple Yield Fund	ADR/ GDR/ Foreign Equity & Debt Securities: Upto a maximum of 25% of the net assets.	Upto a maximum of 50% of net assets (including cash) of the respective Plan(s).
HDFC Multiple Yield Fund - Plan 2005		
HDFC MF Monthly Income Plan	ADR / GDR / Foreign Equity Securities (Listed Overseas Companies): Upto a maximum of 25% of the net assets of the respective Plan(s). Foreign Debt Securities: Upto a maximum of 50% of the net assets of the respective Plan(s).	The value of derivative contracts outstanding will be limited to 60% of the allocation of equity and debt instruments each, respectively under the respective Plan(s)
HDFC Cash Management Fund-Savings Plan and Call Plan	Foreign Debt Securities and Mutual Funds: Upto a maximum of 20% of the net assets of the respective Plan(s).	Upto a maximum of 25% of net assets (including cash) of the respective Plan(s).
HDFC Cash Management Fund-Treasury Advantage Plan	Foreign Debt Securities and Mutual Funds: Upto a maximum of 25% of the net assets.	Upto a maximum of 50% of net assets (including cash)
HDFC Liquid Fund	Foreign Debt Securities: Upto a maximum 50% of the net assets. The Scheme will not invest in Foreign Securitised Debt.	Upto a maximum of 20% of net assets (including cash)

CHANGE IN INVESTMENT PATTERN

Subject to SEBI (MF) Regulations (in case of HDFC Gilt Fund, the Reserve Bank of India circular IDMC No.2741/03.01.00/95-96 dated April 20, 1996), the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and for defensive consideration only.

Debt Market In India

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

A] Government Debt -

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

B] Non-Government Debt

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

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

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

- Overnight Call
- Collateralised Borrowing & Lending Obligations (CBLO)
- Treasury Bills
- Government Securities with a residual maturity of < 1 year
- Commercial Paper
- Certificates of Deposit

Apart from these, there are some other options available for short tenure investments that include MIBOR linked debentures with periodic exit options and other such instruments. Though not strictly classified as Money Market Instruments, PSU / DFI / Corporate paper with a residual maturity of < 1 year, are actively traded and offer a viable investment option.

The following table gives approximate yields prevailing during the month of March 2012 on some of the instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing consequent to changes in macro economic conditions and RBI policy.

Instrument	Yield Range (% per annum)
Inter bank Call Money	8.30 – 15.00
91 Day Treasury Bill	8.93 – 9.02
364 Day Treasury Bill	8.38 – 8.49
A1+Commercial Paper 90 Days	11.00 – 11.90
5 Year Government of India Security	8.34 – 8.64
10 Year Government of India Security	8.22 – 8.60
15 Year Government of India Security	8.52 – 8.72
1 Year Corporate Bond – AAA Rated	9.66 – 9.90
3 Year Corporate Bond – AAA Rated	9.53 – 9.69
5 Year Corporate Bond – AAA Rated	9.32 – 9.57

Source : Bloomberg

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

Overseas Debt Market

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

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

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

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

The approximate yields to maturity in the US Bond Market as at March 30, 2012 are as follows:

Maturity	US Treasury yields (%)
3 months	0.07
6 months	0.15
2 years	0.33
3 years	0.51
5 years	1.04
10 years	2.23

Source : H.15, Federal Reserve Statistical Release

Maturity	US AA Corporate Bond yields (%)
1 year	0.50
2 years	0.85
5 years	1.78
10 years	3.29

(Source - Bloomberg)

D. WHERE WILL THE SCHEME(S) INVEST?

The corpus of the Scheme(s) shall be invested in any (but not exclusively) of the following securities:

- **Equity and equity related instruments (Applicable to HMIP, HMYF & HMYF'05):**

Investments in these securities will be as per the limits specified in the asset allocation table(s) of respective Scheme(s), subject to permissible limits laid under SEBI (MF) Regulations.

- **Debt securities applicable to all Scheme(s) except HFRIF and HGILT:**

The Scheme(s) will retain the flexibility to invest in the entire range of debt instruments and money market instruments. These instruments are more specifically highlighted below:

- Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bond / notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to:
 1. Debt obligations of the Government of India, State and local Governments, Government Agencies and statutory bodies (which may or may not carry a state / central government guarantee),
 2. Securities that have been guaranteed by Government of India and State Governments,
 3. Securities issued by Corporate Entities (Public / Private sector undertakings),
 4. Securities issued by Public / Private sector banks and development financial institutions.
- Money Market Instruments include:
 1. Commercial papers
 2. Commercial bills
 3. Treasury bills
 4. Government securities having an unexpired maturity upto one year
 5. Collateralised Borrowing & Lending Obligation (CBLO)

6. Certificate of deposit
7. Usance bills
8. Permitted securities under a repo / reverse repo agreement
9. Any other like instruments as may be permitted by RBI / SEBI from time to time

Investment in debt securities will usually be in instruments, which have been assessed as "high investment grade" by at least one credit rating agency authorised to carry out such activity under the applicable regulations. Pursuant to SEBI Circular No. MFD/CIR/9/120/2000 dated November 24, 2000, the AMC may constitute committee(s) to approve proposals for investments in unrated debt instruments. The AMC Board and the Trustee shall approve the detailed parameters for such investments. The details of such investments would be communicated by the AMC to the Trustee in their periodical reports. It would also be clearly mentioned in the reports, how the parameters have been complied with. However, in case any unrated debt security does not fall under the parameters, the prior approval of Board of AMC and Trustee shall be sought. Investment in debt instruments shall generally have a low risk profile and those in money market instruments shall have an even lower risk profile. The maturity profile of debt instruments will be selected in accordance with the AMC's view regarding current market conditions, interest rate outlook and the stability of ratings.

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

Investments in both equity and debt will be made through secondary market purchases, initial public offers, other public offers, placements and right offers (including renunciation). The securities could be listed, unlisted, privately placed, secured / unsecured, rated / unrated of any maturity.

- **Debt Investments (Applicable to HFRIF) :**

- **Debt securities** (in the form of floating rate bond / notes, non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income / debt securities including structured obligations etc.) include, but are not limited to:

1. Floating and Fixed rate debt obligations of the Government of India, State and local Governments, Government Agencies and statutory bodies (which may or may not carry a state / central government guarantee),
2. Floating and Fixed rate Securities / obligations that have been guaranteed by Government of India and State Governments,
3. Floating and Fixed rate Securities / obligations of Corporate Entities (Public / Private sector undertakings),
4. Floating and Fixed rate Securities / obligations of Public / Private sector banks and development financial institutions.

- **Money Market Instruments (fixed / floating rate) include :**

1. Commercial paper
2. Commercial bills
3. Treasury bills
4. Government securities having an unexpired maturity upto one year
5. Collateralised Borrowing & Lending Obligation (CBLO)
6. Certificate of deposit
7. Usance bills
8. Permitted securities under a repo / reverse repo agreement

9. Any other like instruments as may be permitted by RBI / SEBI from time to time

Investments will be made through secondary market purchases, initial public offers, other public offers, placements and right offers (including renunciation). The securities could be listed, unlisted, privately placed, secured / unsecured, rated / unrated of any maturity.

The AMC retains the flexibility to invest across all the securities / instruments in debt and money market.

■ **Government securities (Applicable to HGILT)**

Investments will be restricted to sovereign securities issued by the Central Government and/or a State Government viz. Government of India Dated Securities, Treasury Bills and State Government Dated Securities as per the limits specified in the asset allocation table as mentioned on **Page 20**, subject to permissible limits laid under SEBI (MF) Regulations.

■ **Investment in Securitised Debt:**

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

Generally available asset classes for securitization in India are:

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

Investment / Risk Mitigation Strategy

1. Risk profile of Securitised debt vis-à-vis risk appetite of the Scheme(s)

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

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

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

● **Track record**

The investment in securitised debt is done based on origination and underwriting process and capabilities

of the originator, overview of corporate structure, group to which they belong, experience of the company in the business & how long they have been in the business, financial condition of the company, credit rating, past performance of similar pools by the originator, etc.

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

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

● **Ability to pay**

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

● **Business Risk Assessment**

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

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

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

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

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

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

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

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

Diversification of underlying assets is achieved through
a) prudent mix of asset categories - i.e. cars (new, used), commercial vehicles, construction equipment,

unsecured loans to individuals or small & medium enterprises b) total number of contracts in a pool c) average ticket size of loans and d) geographical distribution.

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

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

Information in the table above is based on current scenario and is subject to change depending upon the change in related factors. Illustrative framework, which will be applied while evaluating investment decision relating to a pool securitization transaction:

NA - Not Applicable

Notes:

- In case of securitised debt with underlying being single loan, the investment limit applicable to the underlying borrower is considered.
- Other investment will be decided on a case to case basis.

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

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

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

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

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

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

While minimum retention percentage by originator is not prescribed, any amount retained by the originator through subordination is viewed positively at the time

of making investment & generally varies from 5% to 10%.

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

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

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

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

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

The Scheme(s) shall abide by the following guidelines for parking of funds in short term deposits:

- "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
- Such short-term deposits shall be held in the name of the Scheme.

3. The Scheme(s) shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee.
4. Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
5. The Scheme(s) shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
6. The Scheme(s) shall not park funds in short-term deposit of a bank, which has invested in the Scheme.

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

- The Scheme(s) may invest in other schemes managed by the AMC or in the schemes of any other mutual funds, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing SEBI (MF) Regulations. As per the SEBI (MF) Regulations, no investment management fees will be charged for such investments and the aggregate inter scheme investment made by all the schemes of HDFC Mutual Fund or in the schemes of other mutual funds shall not exceed 5% of the net asset value of the HDFC Mutual Fund.
- The Scheme(s) (**except HGILT**) may also invest in suitable investment avenues in overseas financial markets for the purpose of diversification, commensurate with the Scheme objectives and subject to necessary stipulations by SEBI / RBI. Towards this end, the Mutual Fund may also appoint overseas investment advisors and other service providers, as and when permissible under the regulations. The Scheme(s) may, in terms of their respective investment objectives with the approval of SEBI / RBI invest in :
 - i. ADRs/ GDRs issued by Indian or foreign companies
 - ii. Equity of overseas companies listed on recognized stock exchanges overseas
 - iii. Initial and follow on public offerings for listing at recognized stock exchanges overseas
 - iv. Foreign debt securities in the countries with fully convertible currencies, short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies
 - v. Money market instruments rated not below investment grade
 - vi. Repos in the form of investment, where the counterparty is rated not below investment grade; repos should not however, involve any borrowing of funds by mutual funds
 - vii. Government securities where the countries are rated not below investment grade
 - viii. Derivatives traded on recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities
 - ix. Short term deposits with banks overseas where the issuer is rated not below investment grade
 - x. Units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in (a) aforesaid securities, (b) Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or (c) unlisted overseas securities (not exceeding 10% of their net assets).

As per SEBI Circular SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007, mutual funds can make overseas investments [as stated in point (i) to (x) above] subject to a maximum of US \$300 million (limit per mutual fund subject to overall limit of US \$7 billion) or such limits as may be prescribed by SEBI from time to time.

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

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

■ Trading in Derivatives

All Scheme(s) (except HMIP, HMYF, HMYF'05 & HGILT)

The Scheme(s) may take derivatives position based on the opportunities available subject to the guidelines provided by SEBI from time to time and in line with the overall investment objective of the Scheme(s). The Fund has to comply with the prescribed disclosure requirements. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time. Hedging does not mean maximisation of returns but only reduction of systematic or market risk inherent in the investment. The Scheme(s) intends to take position in derivative instruments like Futures, Options, Interest Rate Swaps, Forward Rate Agreements, and such other derivative instruments as may be permitted by SEBI from time to time.

Applicable to HMIP, HMYF & HMYF'05

The Scheme(s) may take derivatives position based on the opportunities available subject to the guidelines provided by SEBI from time to time and in line with the overall investment objective of the Scheme(s). The Fund has to comply with the prescribed disclosure requirements. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time. Hedging does not mean maximisation of returns but only reduction of systematic or market risk inherent in the investment. The Scheme(s) intends to take position in derivative instruments like Futures, Options, Interest Rate Swaps, Forward Rate Agreements, and such other derivative instruments as may be permitted by SEBI from time to time.

The Scheme(s) intends to use derivatives mainly for the purpose of hedging and portfolio balancing. Losses may arise as a result of using derivatives, but these are likely to be compensated by the gains on the underlying cash instruments held by the Scheme(s). The Scheme(s) will not assume any leveraged exposure to derivatives.

All Scheme(s) (except HGILT)

Derivatives can be traded over the exchange or can be structured between two counter-parties. Those transacted over the exchange are called Exchange Traded derivatives whereas the other category is referred to as OTC (Over the Counter) derivatives.

Some of the differences of these two derivative categories are as under:

Exchange traded derivatives: These are quoted on the exchanges like any other traded asset class. The most common

amongst these are the Index Futures, Index Options, Stock Futures and Options on individual equities / securities. The basic form of the futures contract is similar to that of the forward contract, a futures contract obligates its owner to purchase a specified asset at a specified exercise price on the contract maturity date. Futures are cash-settled and are traded only in organised exchanges. Exchange traded derivatives are standardised in terms of amount and delivery date. Standardisation and transparency generally ensures a liquid market together with narrower spreads. On the other hand, for delivery dates far in the future, there may be insufficient liquidity in the futures market whereas an OTC price may be available.

OTC derivatives: OTC derivatives require the two parties engaging in a derivatives transaction to come together through a process of negotiation. It is a derivative that is customised in terms of structure, amount, tenor, underlying assets, collateral etc. Some of the common examples are interest rate and currency swaps, Forward Rate Agreements (FRAs) etc.

RBI has issued guidelines on Interest Rate Swaps (IRS) and Forward Rate Agreements (FRA) on July 7, 1999. These products were introduced for deepening the country's money market. SEBI has also permitted trading of interest rate derivatives through Stock Exchanges. The Schemes may trade in these instruments.

Interest Rate Swaps (IRS)

All swaps are financial contracts, which involve exchange (swap) of a set of payments owned by one party for another set of payments owned by another party, usually through an

Applicable to HMIP :

The maximum limit for each derivative position is as under.

Sr.	Derivative	Action	Description	Limit
1	Index futures	Buy	Buy futures against cash to protect against rising market	To the extent of cash / equivalents in the portfolio. Max. limit 10% of portfolio
2	Index Options - Call	Buy	Buy index calls against cash (existing /expected) to protect against rising market	To the extent of cash / equivalents in the portfolio. Max. limit 10% of portfolio
3	Stock futures	Buy	Buy against cash to protect against rising share prices	To the extent of cash / equivalents in the portfolio. Max. limit 10% of portfolio; per scrip limit 4%.
4	Stock futures	Sell	Sell against existing stock - Hedging against downside on existing stock in the face of expected volatility in the stock price	To the extent of the particular scrip holding in the portfolio; per scrip limit 10%.
5	Stock options - Call	Buy	Buy against cash to protect against rising share prices	To the extent of cash / equivalents in the portfolio. Max. limit 10% of portfolio; per scrip limit 4%
6	Stock options - Put	Buy	Purchase against existing stock. Hedging against downside on existing stock in the face of expected volatility in the stock price	To the extent of the particular scrip holding in the portfolio; per scrip limit 10%

Note : Per Scrip Limit disclosed above is as a % of the equity portfolio of the respective Plan(s) offered under HMIP.

- Applicable to HMYF & HMYF'05 :

The maximum limit for each derivative position is as under.

Sr.	Derivative	Action	Description	Limit
1	Index futures	Buy	Buy futures against cash to protect against rising market	To the extent of cash / equivalents in the portfolio. Max. limit (50%) of portfolio
2	Index Options - Call	Buy	Buy index calls against cash (existing /expected) to protect against rising market	To the extent of cash / equivalents in the portfolio. Max. limit (50%) of portfolio
3	Stock futures	Buy	Buy against cash to protect against rising share prices	To the extent of cash / equivalents in the portfolio. Max. limit (50%) of portfolio; per scrip limit (100%)
4	Stock futures	Sell	Sell against existing stock - Hedging against downside on existing stock in the face of expected volatility in the stock price	To the extent of the particular scrip holding in the portfolio; per scrip limit (100%)
5	Stock options - Call	Buy	Buy against cash to protect against rising share prices	To the extent of cash / equivalents in the portfolio. Max. limit (50%) of portfolio; per scrip limit (100%)
6	Stock options - Put	Buy	Purchase against existing stock. Hedging against downside on existing stock in the face of expected volatility in the stock price	To the extent of the particular scrip holding in the portfolio; per scrip limit (100%)

Note : Per Scrip limit disclosed above is as a % of the equity portfolio of HMYF and HMYF'05.

intermediary (market maker). An IRS can be defined as a contract between two parties (Counter Parties) to exchange, on particular dates in the future, one series of cash flows, (fixed interest) for another series of cashflows (variable or floating interest) in the same currency and on the same principal for an agreed period of time. The exchange of cashflows need not occur on the same date.

It may be noted that in such hedged positions (fixed v/s floating or vice versa), both legs of the transactions have interest rate volatility as underlying.

Forward Rate Agreements (FRA)

A FRA is an agreement between two counter parties to pay or to receive the difference between an agreed fixed rate (the FRA rate) and the interest rate prevailing on a stipulated future date, based on a notional amount, for an agreed period. In short, in a FRA, interest rate is fixed now for a future period. The special feature of FRAs is that the only payment is the difference between the FRA rate and the Reference rate and hence are single settlement contracts. As in the case of IRS, notional amounts are not exchanged.

Investment in Equity Derivatives (Applicable to HMIP, HMYF & HMYF'05):

Please refer to **page 22** for the details of maximum exposure to investment in Derivatives by the Scheme(s). The limits on derivatives exposure per scrip/instrument and derivatives positions and limits are as per the table(s) below for the following Scheme(s).

Position Limits (Applicable to HMIP, HMYF & HMYF'05)

The position limits for trading in derivatives by Mutual Funds specified by SEBI vide SEBI Circular No. DNPd/Cir-29/2005 dated September 14, 2005, SEBI Circular No. DNPd/Cir -30/2006 dated January 20, 2006 and SEBI Circular No. SEBI/DNPd/Cir-31/2006 dated September 22, 2006 are as follows:

i. Position limit for Mutual Funds in index options contracts

- The Mutual Fund position limit in all index options contracts on a particular underlying index shall be ₹ 500 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
- This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for Mutual Funds in index futures contracts

- The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be ₹ 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.
- This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Additional position limit for hedging

In addition to the position limits at point (i) and (ii) above, Mutual Funds may take exposure in equity index derivatives subject to the following limits :

- Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.
- Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, T-Bills and similar instruments.

iv. Position limit for Mutual Funds for stock based derivative contracts

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts will be as follows :-

- For stocks having applicable market-wise position limit (MWPL) of ₹ 500 crores or more, the combined futures and options position limit shall be 20% of applicable MWPL or ₹ 300 crores, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or ₹ 150 crores, whichever is lower.
- For stocks having applicable market-wise position limit (MWPL) less than ₹ 500 crores, the combined futures and options position limit would be 20% of applicable MWPL and futures position cannot exceed 20% of applicable MWPL or ₹ 50 crore whichever is lower.

v. Position limit for each scheme of a Mutual Fund

The scheme-wise position limit requirements shall be :

- For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a mutual fund shall not exceed the higher of:
 - 1% of the free float market capitalization (in terms of number of shares). **or**
 - 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
- This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
- For index based contracts, Mutual Funds shall disclose the total open interest held by its scheme or all schemes

put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

Exposure Limits (Applicable to All Schemes except HMIP, HMYF, HMYF'05 & HGILT)

The exposure limits for trading in derivatives by Mutual Funds specified by SEBI vide its Circular No. Cir/IMD/DF/ 11/2010 dated August 18, 2010 inter alia are as follows:

- The cumulative gross exposure through debt, money market instruments and derivative positions should not exceed 100% of the net assets of the scheme.
- Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
- Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
 - Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
 - Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
 - Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
 - The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
- Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.
- Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.

Exposure Limits (Applicable to HMIP, HMYF & HMYF'05)

The exposure limits for trading in derivatives by Mutual Funds specified by SEBI vide its Circular No. Cir/IMD/DF/11/2010 dated August 18, 2010 are as follows:

- The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
- Mutual Funds shall not write options or purchase instruments with em-bedded written options.
- The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
- Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
- Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
 - Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
 - Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions

shall have to be added and treated under limits mentioned in Point 1.

- c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
 - d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
6. Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.
 7. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.
 8. Definition of Exposure in case of Derivative Positions

Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

Position	Exposure
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option Bought	Option Premium Paid * Lot Size * Number of Contracts

E. WHAT ARE THE INVESTMENT STRATEGIES? **INVESTMENT STRATEGIES AND RISK CONTROL**

HDFC INCOME FUND

INVESTMENT STRATEGY

The AMC retains the flexibility to invest across all the securities / instruments in debt and money market.

Investments made from the net assets of the Scheme would be in accordance with the features of the Scheme and the provisions of the SEBI (MF) Regulations. The AMC will strive to assess risk of the potential investment in terms of credit risk, interest rate risk and liquidity risk. The credit risk analysis would involve an assessment of the past track record and prospects for the company, the industry it operates in, the future cash flows from operations and the requirement for additional capital expenditure. An interest rate scenario analysis would be performed on an on-going basis, considering the impact of the developments on the macro-economic front and the demand and supply of funds.

Based on the above analysis, the AMC would manage the investments of the Scheme on a dynamic basis to exploit emerging opportunities in the investment universe and manage risks at all points in time. The AMC will utilise ratings of rating agencies registered with SEBI as an input in the decision making process. Investments in bonds and debentures will usually be in instruments that have been assigned high investment grade ratings by a rating agency registered with SEBI. Pursuant to SEBI Circular No. MFD/CIR/9/120/2000 dated November 24, 2000,

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

The AMC will attempt to reduce liquidity risk by investing in securities that would result in a staggered maturity profile of the portfolio, investment in structured securities that provide easy liquidity and securities that have reasonable secondary market activity. In the event of a requirement to liquidate all or a substantial part of these investments in a very short duration of time, the AMC may not be able to realize the full value of these securities to an adverse impact on the Net Asset Value of the Scheme. Please refer to clauses on **"Right to Limit Redemptions"** and **"Suspension of Sale / Redemption / Switching Options of the Units"**, on **Page 56**.

Consistent with the investment objectives of the scheme, the AMC aims to identify securities which offer superior levels of yield at low levels of risk. The investment team of the AMC will carry out an internal credit analysis of all securities included in the investment universe.

The Scheme may also use various derivative and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unit holders' interest. The Investment Manager may therefore enter into forward contracts, future contracts or buy or sell options in an effort to maintain risks at acceptable levels.

The Scheme may also invest in suitable investment avenues in overseas financial markets for the purpose of diversification, commensurate with the Scheme objectives and subject to necessary stipulations by SEBI / RBI. Towards this, the Mutual Fund may also appoint overseas investment advisors and other service providers, as and when permissible under the regulations.

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

HDFC HIGH INTEREST FUND

The Investment strategy of restricting the portfolio largely to debt, money market and related instruments is intended to reduce risk while maintaining steady income. Credit risk will be minimised by investing only in those companies/industries that have been researched by the Investment Manager's research team supported by information from credit rating agencies authorised to carry out such activity under the SEBI Act. Risk will also be reduced through diversification of the portfolio. Monies collected shall be invested in transferable securities in the money market or in the capital market or in privately placed debentures as per the SEBI (MF) Regulations. The portfolio would be reviewed and rebalanced on a continual basis.

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

HDFC HIGH INTEREST FUND - SHORT TERM PLAN (HHIF-STP)

HDFC High Interest Fund - Short Term Plan has been designed to provide more stable returns to shorter-term investors with lower interest rate risk than the Dividend and Growth Plans of HDFC High Interest Fund (the main scheme). Except for this, the investment strategy for HHIF-STP would be in line with that of the main Scheme. Hence, over the long term, returns in the main Scheme may be higher than that of HHIF-STP but over the short term, HHIF-STP will have a relatively lower exposure to interest rate movements as its portfolio maturity may be shorter than that of the main Scheme.

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

HDFC SHORT TERM PLAN

CONCEPT

HDFC Short Term Plan, is structured as an open-ended income scheme with the objective to generate regular income through investments in debt securities and money market instruments. The characteristics of the product are similar to that of a debt fund.

With respect to the investment horizon profile, this Scheme is aimed to be positioned between the liquid scheme and the income scheme.

The Scheme will invest in debt securities and money market instruments with a short to medium term maturity and aims to maintain an average maturity profile of 9 - 18 months under normal circumstances.

INVESTMENT STRATEGY

The net assets of the Scheme will be invested in Debt Securities and Money market instruments. The primary objective of the Scheme is to generate regular income through investment in debt securities and money market instruments.

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

HDFC SHORT TERM OPPORTUNITIES FUND

The investment objective of the Scheme is to generate regular income through investments in Debt/Money Market Instruments and Government Securities with maturities not exceeding 30 months.

The Scheme seeks to generate income through investments in a range of debt and money market instruments of various credit ratings (above investment grade) with a view to maximizing income while maintaining an optimum balance of yield, safety and liquidity. The Scheme shall endeavour to develop a well- diversified, high credit portfolio of debt (including Securitised debt) and other securities that minimizes liquidity and credit risk.

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

Product Differentiation :

Interest rate risk, inter alia, is one of the key risks in fixed income portfolio. This risk is a function of change in market yields and the modified duration of the portfolio. Hence, maturity of portfolio determines the Scheme's risk profile. It is in this regard, that HDFC Short Term Opportunities Fund ("HSTOF") aims to cap the risk that the investor is taking. The portfolio of the HSTOF is likely to be more concentrated in a particular segment / maturity bucket not exceeding 30 months based on macro economic analysis / interest rate outlook. None of existing open-ended income schemes of HDFC Mutual Fund have such a cap on portfolio maturity (not exceeding 30 months) and this is a key differentiator that shall influence returns over a period of time.

HDFC MEDIUM TERM OPPORTUNITIES FUND

The investment objective of the Scheme is to generate regular income through investments in Debt/Money Market Instruments and Government Securities with maturities not exceeding 60 months.

The Scheme seeks to generate income through investments in a range of debt and money market instruments of various credit ratings (above investment grade) with a view to maximizing income while maintaining an optimum balance of yield, safety and liquidity. The Scheme shall endeavour to develop a well- diversified, high credit portfolio of debt (including Securitised debt) and other securities that minimizes liquidity and credit risk.

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

Product Differentiation :

Interest rate risk, inter alia, is one of the key risks in fixed income portfolio. This risk is a function of change in market yields and the modified duration of the portfolio. Hence, maturity of portfolio determines the Scheme's risk profile. It is in this regard, that HDFC Medium Term Opportunities Fund ("HMTOF") aims to cap the risk that the investor is taking. The portfolio of the HMTOF is likely to be more concentrated in a particular segment / maturity bucket not exceeding 60 months based on macro economic analysis / interest rate outlook. None of existing open-ended income schemes of HDFC Mutual Fund have such a cap on portfolio maturity (not exceeding 60 months) and this is a key differentiator that shall influence returns over a period of time.

HDFC FLOATING RATE INCOME FUND

CONCEPT

HFRIF, is structured as an open ended income scheme with the primary objective of generating regular income through investment in a portfolio comprising substantially of floating rate debt / money market instruments, fixed rate debt instruments swapped for floating rate returns, and fixed rate debt securities and money market instruments.

INVESTMENT STRATEGY

The net asset of the Scheme will be invested in a portfolio comprising substantially of floating rate debt / money market instruments, fixed rate debt instruments swapped for floating rate returns, and fixed rate debt instruments and money market instruments.

The primary objective of this Scheme is to substantially minimise

the interest rate risk for the investors. Conventional fixed interest rate investments are open to interest rate risk and hence volatility of price movements depending on interest rate fluctuations. Floating rate instruments are securities that are repriced at periodic intervals based on certain accepted benchmarks, by virtue of this periodic repricing the interest rate risk is minimised. Fixed rate instruments can also be swapped to generate floating rate returns by using derivative instruments such as interest rate swaps, forward rate agreements etc.

The fixed income derivative market has made considerable progress and has evolved into an excellent tool for risk management. The fixed income derivative market is evolving rapidly and will considerably enhance the depth and width of the Indian debt markets. The Scheme intends to use derivative instruments such as interest rate swaps (IRS), forward rate agreements (FRA) and any other derivative instruments as may be permitted by RBI / SEBI from time to time. Derivatives will essentially be used for portfolio hedging and balancing purposes and to generate floating rate return by swapping fixed rate instruments. The fixed income derivative market is evolving rapidly and the introduction of innovative instruments like constant maturity swaps etc. has considerably enhanced the possibilities of managing interest rate risk in the Indian environment.

Floating rate debt issuance has grown rapidly with the introduction and wide acceptance of benchmarks such as NSE / Reuters MIBOR etc. The Government of India also issues floating rate sovereign debt which will give a major impetus to the pace of development of floating rate market in India. The Scheme will invest directly in floating rate debt instruments or will swap the returns from fixed rate instruments into floating rate returns or vice versa by the use of derivatives.

The portfolio of the Short Term Plan will normally be skewed towards short term maturities with higher liquidity and the portfolio of the Long Term Plan will be normally skewed towards longer term maturities.

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

HDFC GILT FUND

The Scheme offers investors two separate Plans (i.e. Short Term Plan and Long Term Plan) representing investments made and held in two separate investment portfolios. The portfolios may differ in the portfolio allocation to a particular asset class and the issue held as well as in the average maturity of each portfolio.

Short Term Plan :

It is proposed to invest the proceeds of the Short Term Plan in sovereign securities issued by the Central Government and/or a State Government with short to medium term residual maturities.

Long Term Plan :

It is proposed to invest the proceeds of the Long Term Plan in sovereign securities issued by the Central Government and/or a State Government with medium to long term maturities.

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 will purchase securities in the public offerings, as well as those traded in the secondary markets. On occasions, if deemed appropriate, the Scheme may also participate in auction of Government Securities. The Mutual Fund will seek to underwrite issuance of Government Securities if and when permitted by SEBI/RBI and subject to the prevailing rules and regulations specified in this respect and may also participate in their auction from time to time.

GOVERNMENT SECURITIES MARKET IN INDIA

Being a dedicated Gilt Scheme, Investments will be restricted to Government of India Dated Securities, Treasury Bills and State Government Dated Securities. Of these, Government of India Dated Securities may be rated the highest in terms of liquidity, followed by Treasury Bills and State Government Dated Securities. State Government Dated Securities normally offer yields which are higher than Government of India Dated Securities for similar tenure. Yields on these instruments are dynamic and change from time to time. Factors affecting the yields include the prevalent liquidity conditions, expectations on supply of these instruments from the issuers and the economic scenario.

LIQUIDITY SUPPORT FROM RBI

Being a Scheme dedicated exclusively to investments in Government Securities, HDFC Gilt Fund will be eligible to avail on any day from RBI liquidity support upto 20% of the outstanding value of its investments in Government Securities (as at the close of business on the previous working day), under its Guidelines issued vide letter IDMC.No.2741/03.01.00/95-96, dated April 20, 1996. Liquidity support under these guidelines is available through reverse Redemption agreements in eligible Central Government dated securities and Treasury Bills of all maturities.

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

HDFC MULTIPLE YIELD FUND & HDFC MULTIPLE YIELD FUND - PLAN 2005

The net assets of the Scheme(s) will be invested primarily in fixed income securities and balance in equity and equity related instruments.

The Scheme(s) target positive returns over medium time frame and aims to reduce the chances and extent of a capital depreciation over medium term holding period for the unit holder. The Scheme(s) aims to achieve this by adopting the following investment strategy:

- Invest around 85% of the net assets of the Scheme(s) in fixed income securities of roughly one year (roughly 15 months in case of HMYF'05) maturity and adopt a predominantly buy and hold strategy. This will mean that over medium term irrespective of the interest rate movements, the Scheme(s) will earn returns that are nearly equal to the underlying yield on the bonds.
- Invest the balance nearly 15% of the net assets of the Scheme(s) in equities where the dividend yields are moderate to high. The investment focus will be on dividend yield stocks.

Both a) and b) combined together represent two sources of yield on the entire portfolio. These two yields combined together are expected to reduce the chances and extent of a capital loss.

In order to implement the investment approach effectively, it would be important to periodically meet the management face to face. This would provide an understanding of their broad vision and commitment to the long-term business objectives. These meetings would also be useful in assessing key determinants of management quality such as orientation to minority shareholders, ability to cope with adversity and approach to allocating surplus cash flows. Discussions with management would also enable benchmarking actual performance against stated commitments.

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

HDFC MF MONTHLY INCOME PLAN

The net assets of the respective Plans will be invested primarily in Debt and Money market instruments. The respective Plans seeks to generate regular returns through investment primarily in Debt and Money Market Instruments. The secondary objective of the Scheme is to generate long-term capital appreciation by investing a portion of the Scheme's assets in equity and equity related instruments.

■ Equity Investments :

The investment approach would be based on the concept of economic earning power and cash return on investments. **Five basic principles would serve as the foundation for this investment approach. They are as follows:**

- Focus on long term growth.
- View investments as conferring a proportionate ownership of the business.
- Maintain a margin of safety (i.e. the price of purchase represents a discount to the intrinsic value of that business).
- Maintain a balanced outlook on the market by regularly monitoring economic trends and investor sentiment.
- The decision to sell a holding would be based on one of three reasons:
 - The anticipated price appreciation has been achieved or is no longer probable; or
 - Alternative investments offer superior total return prospects; or
 - A fundamental change has occurred in the company or the market in which it competes.

In summary, the assessment of investment value is a function of extensive research and based on data and reasoning, rather than current fashion and emotion. The idea is to develop a model that allows us to identify **"businesses with superior growth prospects and good management, at a reasonable price"**.

In order to implement the investment approach effectively, it would be important to periodically meet the management face to face. This would provide an understanding of their broad vision and commitment to the long-term business objectives. These meetings would also be useful in assessing key determinants of management quality such as orientation to minority shareholders, ability to cope with adversity and approach to allocating surplus cash flows. Discussions with management would also enable benchmarking actual performance against stated commitments.

■ Debt Investments :

The Scheme will retain the flexibility to invest in the entire range of debt instruments and money market instruments (including

securitised debt). Investment in Debt securities and Money Market Instruments will be as per the limits in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations. Please refer to 'Debt securities' and 'Money Market Instruments' under the section **'WHERE WILL THE SCHEME(S) INVEST'** on Page 24.

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

HDFC CASH MANAGEMENT FUND

The Scheme offers investors three Plans:

- Savings Plan
- Call Plan
- Treasury Advantage Plan

Each Plan shall have a separate portfolio.

SAVINGS PLAN

The Savings Plan is suitable for investors especially institutional investors who have short-term savings/investment horizon and seek liquidity of their investment at short notice.

Under the Savings Plan, investments will be made in Money Market and Debt instruments with maturity of upto 91 days only. In case of securities with put and call options (daily or otherwise) the residual maturity shall not be greater than 91 days. The Scheme will purchase securities in primary as well as secondary markets. The Scheme may also invest in securities offered by the issuer through private placements.

The Portfolio would be reviewed and rebalanced on a continual basis.

Further it must be understood that the referred percentages are not absolute and that they can vary substantially, depending upon the AMC's perception of the debt and money market and the trend in interest rates; with the intent to protect the NAV of the Scheme. Also, the AMC may from time to time, for a short term, alter the asset allocation on defensive consideration.

CALL PLAN

The net assets of the Call Plan will be invested in debt securities and money market instruments with maturity of upto 91 days only. In case of securities with put and call options (daily or otherwise) the residual maturity shall not be greater than 91 days. Investments under the Call Plan would be made predominantly in Collateralised Borrowing & Lending Obligations (CBLO), overnight reverse repos in Government securities and fixed income securities with overnight maturity/liquidity.

TREASURY ADVANTAGE PLAN

The net assets of the Scheme will be invested in debt securities and money market instruments. This Scheme is suitable for investors having a short-term investment horizon and seek high levels of liquidity for their investments. This Scheme would endeavour to generate regular returns commensurate with low levels of interest rate risk.

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

HDFC LIQUID FUND

Consistent with the investment objectives of the Scheme, the AMC aims to identify securities which offer superior returns at lower level of risk while maintaining the liquidity profile. The investment team of the AMC will carry out an internal credit analysis of all securities included in the investment universe.

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

Risk Control [Applicable to All Scheme(s)]

Investments made from the net assets of the Scheme(s) would be in accordance with the investment objective of the Scheme(s) and the provisions of the SEBI (MF) Regulations. The AMC will strive to achieve the investment objective by way of a judicious portfolio mix comprising of Debt Securities and Money Market Instruments and equity / equity related instruments (Applicable to HDFC MF Monthly Income Plan, HDFC Multiple Yield Fund and HDFC Multiple Yield Fund - Plan 2005). Every investment opportunity in Debt Securities and Money Market Instruments would be assessed with regard to credit risk, interest rate risk and liquidity risk.

Credit Evaluation Policy

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

In line with SEBI Circular No. MFD/CIR/9/120/ 2000 dated November 24, 2000, the AMC may constitute committee(s) to approve proposals for investments in unrated instruments. The AMC Board and the Trustee shall approve the detailed parameters for such investments. The details of such investments would be communicated by the AMC to the Trustee in their periodical reports. It would also be clearly mentioned in the reports, how the parameters have been complied with. However, in case any security does not fall under the parameters, the prior approval of Board of AMC and Trustee shall be sought.

Interest Rate Risk

An interest rate scenario analysis would be performed on an on-going basis, considering the impact of the developments on the macro-economic front and the demand and supply of funds. Based on the above analysis, the AMC would manage the investments of the Scheme on a dynamic basis to exploit emerging opportunities in the investment universe and manage risks at all points in time.

Liquidity Risk

The AMC will attempt to reduce liquidity risk by investing in securities that would result in a staggered maturity profile of the

portfolio, investment in structured securities that provide easy liquidity and securities that have reasonable secondary market activity. In the event of a requirement to liquidate all or a substantial part of these investments in a very short duration of time, the AMC may not be able to realize the full value of these securities to an adverse impact on the Net Asset Value of the Scheme(s).

Strategies for Investment in Equity Derivatives as per derivative strategy of respective Scheme(s).

Applicable to HMIP, HMYF and HMYF'05:

Basic Structure of an Index Future

Index Futures are instruments designed to give exposure to the equity market indices. BSE Limited and the National Stock Exchange of India Limited have started trading in index futures of 1, 2 and 3 month maturities. The pricing of an index future is the function of the underlying index and short term interest rates.

Example:

Assumptions:

1 month BSE 30 Future

Spot Index: 4900

Future Price on day 1: 4920

Fund buys 10,000 futures contracts

On Date of settlement

Future price = Closing spot price = 4950

Profits for the Fund = $(4950 - 4920) \times 10000 = \text{Rs } 300,000$
+ interest for the 1 month period

Please note that the above example is given for illustration purposes only.

The net impact for the Fund will be in terms of the difference between the closing price of the index and cost price (ignoring margins for the sake of simplicity) plus interest costs on funds that would otherwise be invested in stocks comprising the index. The risks associated with index futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and/or mis pricing of the future at any time during the life of the contract.

The strategies below are given for illustration purposes only. Some of the strategies involving derivatives that may be used by the Investment Manager, with an aim to protect capital and enhance returns include :

Strategy Number 1

■ Using Index Futures to increase percentage investment in equities

This strategy will be used for the purpose of generating returns on idle cash, pending its investment in equities. The Scheme is subject to daily flows. There may be a time lag between the inflow of funds and their deployment in stocks. If so desired, the scheme would be able to take immediate exposure to equities via index futures. The position in index futures may be reversed in a phased manner, as the funds are deployed in the equity markets.

Example:

The scheme has a corpus of ₹ 50 crore and there is an inflow of ₹ 5 crore in a day. The AMC may buy index futures contracts of a value of ₹ 5 crore. Later as the money is deployed in the underlying equities, the value of the index futures contracts can be suitably reduced.

Portfolio	Event	Equity Portfolio Gain / (Loss) (₹ in crore)	Derivative Gain / (Loss) (₹ in crore)	Total Portfolio Gain / (Loss) (₹ in crore)
₹ 50 Crore Equity exposure	10% rise in equity prices	5	Nil	5
₹ 50 Crore Equity exposure + ₹ 5 Crore long position index futures	10% rise in equity prices	5	0.5	5.5
₹ 50 Crore Equity exposure	10% fall in equity prices	(5)	Nil	(5)
₹ 50 Crore Equity exposure + ₹ 5 Crore long position index futures	10% fall in equity prices	(5)	(0.5)	(5.5)

RISKS

- The strategy of taking a long position in index futures increases the exposure to the market. The long position is positively correlated with the market. However, there is no assurance that the stocks in the portfolio and the index behave in the same manner and thus this strategy may not provide gains perfectly aligned to the movement in the index.
- The long position will have as much loss / gain as in the underlying index. e.g. if the index appreciates by 10%, the index future value rises by 10%. However, this is true only for futures contracts held till maturity. In the event that a futures contract is closed out before its expiry, the quoted price of the futures contract may be different from the gain / loss due to the movement of the underlying index. This is called the basis risk.
- While futures markets are typically more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time, for the Scheme to purchase or close out a specific futures contract.

Strategy Number 2**■ Downside Protection Using Stock Put**

As a stock hedging strategy, the purchase of a put option on an underlying stock held would lead to a capping of the loss in value of the stock in the event of a material decline in the stock's price.

The purchase of a put option against a stock holding in the scheme gives the scheme the option of selling the stock to the writer of the put at the predetermined level of the Put Option, called the strike price. If the stock falls below this level, the downside for the scheme is protected as it has already locked into the selling price. In case of a fall in the stock's price below the strike price, the value of the Put Option appreciates, approximately corresponding to the extent of the stock's price fall below the strike price.

Example:

Let us assume 20000 shares of XYZ Limited held in the portfolio with a market value of ₹ 1000 per share (overall ₹ 2 crores). The scheme purchases put options on the stock of XYZ Limited (not exceeding its holding of 20000 shares) with a strike price of ₹ 990 for an assumed cost (called Option Premium) of ₹ 15 per share (₹ 3 lakhs for 20000 shares).

By purchasing the above Put Option, the scheme has effectively set a floor to the realisation from the stock at ₹ 975 per share (₹ 990 strike price less ₹ 15 Option Premium paid).

In case the stock price of the company falls below ₹ 975 per share, the gain in the price of the Put Option when added to the actual market price of the stock would bring the sale realisation per share close to ₹ 975 per share.

After purchasing the above Put Option, in case the price of the stock appreciates, remains around ₹ 1000 or declines slightly to remain above the strike price, the scheme may not avail of the option and the cost for having bought the option remains fixed at ₹ 15 per share.

In effect, a floor (in this case effectively ₹ 975) is set to the stock by buying an Option at a cost that is known (in this case ₹ 15 per share).

RISKS

- There can be no assurance that ready liquidity would exist at all points in time, for the scheme to purchase or close out a specific options contract.
- A hedging strategy using Put Options is a perfect hedge on the expiration date of the put option. On other days, there may be (temporary) imperfect correlation between the share price and the put option.

Applicable to All Scheme(s) (except HGILT):

In terms of Circular No. MFD.BC.191/07.01.279/1999-2000 and MPD.BC.187/07.01.279/1999-2000 dated November 1, 1999 and July 7, 1999 respectively issued by Reserve Bank of India permitting participation by Mutual Funds in Interest Rate Swaps and Forward Rate Agreements. These products were introduced for deepening the country's money market. The Scheme may trade in these instruments for the purpose of hedging and portfolio balancing or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time. SEBI has also permitted trading of interest rate derivatives through Stock Exchange.

Basic Structure of a Swap

Assume that the Scheme has a ₹ 20 crore floating rate investment linked to MIBOR (Mumbai Inter Bank Offered Rate). Hence, the Scheme is currently running an interest rate risk and stands to lose if the interest rate moves down. To hedge this interest rate risk, the Scheme can enter into a 6 month MIBOR swap. Through this swap, the Scheme will receive a fixed predetermined rate (assume 12%) and pays the "benchmark rate" (MIBOR), which is fixed by the National Stock Exchange of India limited (NSE) or any other agency such as Reuters. This swap would effectively lock-in the rate or 12% for the next 6 months,

eliminating the daily interest rate risk. This usually routed through an intermediary who runs a book and matches deals between various counterparties.

The steps will be as follows -

- Assuming the swap is for ₹ 20 crore June 1, 2011 to December 1, 2011. The Scheme is a fixed rate receiver at 12% and the counterparty is a floating rate receiver at the overnight rate on a compounded basis (say NSE MIBOR).
- On June 1, 2011 the Scheme and the counterparty will exchange only a contract of having entered this swap. This documentation would be as per International Swap Dealers Association (ISDA).
- On a daily basis, the benchmark rate fixed by NSE will be tracked by them.
- On December 1, 2011 they will calculate the following-
 - The Scheme is entitled to receive interest on ₹ 20 crore at 12% for 184 days i.e. ₹ 1.21 crore, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
 - The counterparty is entitled to receive daily compounded call rate for 184 days & pay 12% fixed.
 - On December 1, 2011, if the total interest on the daily overnight compounded benchmark rate is higher than ₹ 1.21 crore, the Scheme will pay the difference to the counterparty. If the daily compounded benchmark rate is lower, then the counterparty will pay the Scheme the difference.
 - Effectively the Scheme earns interest at the rate of 12% p.a. for six months without lending money for 6 months fixed, while the counterparty pays interest @ 12% p.a. for 6 months on ₹ 20 crore, without borrowing for 6 months fixed.

The above example illustrates the benefits and risks of using derivatives for hedging and optimizing the investment portfolio. Swaps have their own drawbacks like credit risk, settlement risk. However, these risks are substantially reduced as the amount involved is interest streams and not principal.

Forward Rate Agreement

Assume that on April 30, 2011, the 30 day commercial paper (CP) rate is 5.75% and the Scheme has an investment in a CP of face value ₹ 25 crores, which is going to mature on May 30, 2011. If the interest rates are likely to remain stable or decline after May 30, 2011, and if the fund manager, who wants to re-deploy the maturity proceeds for 1 more month, does not want to take the risk of interest rates going down, he can then enter into a following forward rate agreement (FRA) say as on April 30:

He can receive 1 X 2 FRA on April 30, 2011 at 5.75% (FRA rate for 1 months lending in 2 months time) on the notional amount of ₹ 25 crores, with a reference rate of 30 day CP benchmark. If the CP benchmark on the settlement date i.e. May 30, 2011 falls to 5.50%, then the Scheme receives the difference 5.75 - 5.50 i.e. 25 basis points on the notional amount ₹ 25 crores for 1 month. The maturity proceeds are then reinvested at say 5.50% (close to the benchmark). The scheme, however, would have locked in the rate prevailing on April 30, 2011 (5.75%) as it would have received 25 basis points more as settlement amount from FRA. Thus the fund manager can use FRA to mitigate the reinvestment risk.

In this example, if the rates move up by 25 basis points to 6% on the settlement date (May 30, 2011), the Scheme loses 25 basis points but since the reinvestment will then happen at 6%, effective returns for the Scheme is unchanged at 5.75%, which is the prevailing rate on May 30, 2011.

Risk Factors of SWAP and Forward Rate Agreement

- **Credit Risk:** This is the risk of defaults by the counterparty. This is usually negligible, as there is no exchange of principal amounts in a derivative transaction.
- **Market Risk:** Market movements may adversely affect the pricing and settlement derivatives.
- **Liquidity Risk:** The risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.

CHEQUE WRITING FACILITY

The Reserve Bank of India (RBI) had announced in its mid-term Review of Monetary and Credit Policy for 1999-2000 that it would permit scheduled commercial banks to offer 'cheque writing' facility to Gilt funds and to those Liquid Income schemes of mutual funds which predominantly invest in money market instrument (not less than 80% of their net assets). In accordance with this announcement and the guidelines issued by RBI and any amendments to the Guidelines thereof, the Schemes may, offer Cheque Writing Facility to its Unit holders.

PORTFOLIO TURNOVER - ALL SCHEMES

The Scheme(s) are open-ended Schemes. It is expected that there would be a number of subscriptions and redemptions on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio.

INVESTMENT DECISIONS - ALL SCHEMES

The Investment Committee comprising Chief Investment Officer (CIO), Fund Manager(s) - Equities (for equity related matters), Fund Manager(s) - Debt (for debt related matters) and Chief Compliance Officer will inter alia lay down the fund's investment philosophy, policy and processes / procedures, review the performance / portfolios of the Schemes, monitor the credit ratings of debt exposures, etc.

Fund Manager(s) shall be responsible for taking investment / divestment decisions for their respective scheme(s) and for adhering to the Fund's investment philosophy, policy and processes / procedures. Investment decisions shall be recorded by the respective Fund Manager(s) along with reasons for the same. Research reports, both internal and external, covering inter alia factors like business outlook, financial analysis, valuation, etc. shall assist the Fund Manager(s) in the decision-making. Credit exposure limits shall be set and reviewed by the Head of Credit, Fund Manager(s) - Debt and the CIO.

The Executive Director & Chief Investment Officer and the Investment Committee report to the Managing Director. Investment decisions are taken by the fund manager(s) of the respective scheme(s) and the Managing Director does not play any role in the day-to-day investment decisions. The Managing Director of the AMC shall ensure that the investments made by the fund managers are in the interest of the Unit holders.

Periodic presentations will be made to the Board of Directors of the AMC and Trustee Company to review the performance of the Scheme.

INVESTMENT BY THE AMC IN THE SCHEME(S)

The AMC may invest in the Scheme(s) anytime during the continuous offer period subject to the SEBI (MF) Regulations. The AMC may also invest in existing Schemes of the Mutual Fund. As per the existing SEBI (MF) Regulations, the AMC will not charge Investment Management and Advisory fee on the investment made by it in the Scheme(s) or other existing schemes of the Mutual Fund.

F. FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the Scheme(s), in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

(i) Type of a scheme

Please refer to Section 'Type of the Scheme(s)' on Page 18.

(ii) Investment Objective

- Main Objective - Please refer to section 'What is the Investment Objective of the Scheme(s)?' on Page 18.
- Investment pattern - Please refer to section 'How will the Scheme(s) Allocate its Assets?' on Page 18.

(iii) Terms of Issue

- a) Liquidity provisions such as listing, repurchase, redemption.

b) Aggregate Fees and Expenses charged to the Scheme

Please refer to section 'Fees and Expenses' on Page 87 for details.

c) Any safety net or guarantee provided

The Scheme(s) do not provide any guaranteed or assured return.

Changes in Fundamental Attributes

In accordance with Regulation 18 (15A) of the SEBI (MF) Regulations, the Trustee shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interest of Unit holders is carried out unless :

- A written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unit holders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any Exit Load.

G. HOW WILL THE SCHEME(S) BENCHMARK ITS PERFORMANCE? BENCHMARK INDEX

Name of the Scheme(s)	Benchmark Index	Justification
HDFC Income Fund HDFC High Interest Fund HDFC Medium Term Opportunities Fund	CRISIL Composite Bond Fund Index	The Scheme(s)/Plan(s) intends to have a portfolio mix of instruments, which are mainly captured by its respective Benchmark Index. Hence, the benchmark is an appropriate benchmark for the Scheme(s)/Plan(s).
HDFC High Interest Fund - Short Term Plan HDFC Short Term Plan HDFC Short Term Opportunities Fund	CRISIL Short Term Bond Fund Index	
HDFC Floating Rate Income Fund - Short Term Plan & Long Term Plan HDFC Cash Management Fund - Savings Plan, Call Plan and Treasury Advantage Plan HDFC Liquid Fund HDFC Liquid Fund - Premium Plan & Premium Plus Plan	CRISIL Liquid Fund Index	
HDFC Gilt Fund	Short Term Plan: I-Sec Si-Bex Long Term Plan: I-Sec Li-Bex	
HDFC Multiple Yield Fund HDFC Multiple Yield Fund - Plan 2005 HDFC MF Monthly Income Plan - Short Term Plan & Long Term Plan	CRISIL MIP Blended Index	

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

H. WHO MANAGES THE SCHEME(S)?

Name of the Scheme(s)	Fund Manager*	Dedicated Fund Manager for Overseas Investments
HDFC Income Fund	Mr. Shobhit Mehrotra	Mr. Miten Lathia
HDFC High Interest Fund	Mr. Anil Bamboli (HHIF) Mr. Shobhit Mehrotra (HHIF -STP)	
HDFC Short Term Plan	Mr. Anil Bamboli	
HDFC Short Term Opportunities Fund	Mr. Anil Bamboli	
HDFC Medium Term Opportunities Fund	Mr. Shobhit Mehrotra	
HDFC Floating Rate Income Fund	Mr. Shobhit Mehrotra	
HDFC Gilt Fund	Mr. Anil Bamboli	Not Applicable
HDFC Multiple Yield Fund	Mr. Vinay Kulkarni (Equities) Mr. Anil Bamboli (Debt)	Mr. Miten Lathia
HDFC Multiple Yield Fund - Plan 2005	Mr. Chirag Setalvad (Equities) Mr. Anil Bamboli (Debt)	
HDFC MF Monthly Income Plan	Long Term Plan: Mr. Prashant Jain (Equities) Mr. Shobhit Mehrotra (Debt) Short Term Plan: Mr. Vinay Kulkarni (Equities) Mr. Shobhit Mehrotra (Debt)	
HDFC Cash Management Fund	Mr. Anil Bamboli (Treasury Advantage Plan) Mr. Bharat Pareek (Savings Plan & Call Plan)	
HDFC Liquid Fund	Mr. Shobhit Mehrotra	

* excluding Overseas investments if any.

The details of Fund Managers are as follows:

Name & Age	Educational Qualifications	Experience (last 10 years)	Fund(s) Managed*
Mr. Prashant Jain 44 Years	CFA (CFA Institute), PGDM-IIM Bangalore, B.Tech. - IIT, Kanpur	Collectively over 21 years of experience in fund management and research in Mutual Fund Industry. • June 20, 2003 till Date HDFC Asset Management Company Limited • July 1993 to June 19, 2003 Zurich Asset Management Company (India) Private Limited Last Position Held- Chief Investment Officer	Open Ended Growth Scheme(s) • HDFC Equity Fund • HDFC Top 200 Fund Open Ended Equity Scheme • HDFC Infrastructure Fund ^ Open Ended Balanced Scheme • HDFC Prudence Fund Open Ended Income Scheme • HDFC MF Monthly Income Plan- Long Term Plan - (Equity Assets)
Mr. Shobhit Mehrotra 46 years	B. Text, M.S. MBA Clemson University, SC, USA	Collectively over 19 years of experience in Fixed Income markets, credit rating etc. • Feb 16, 2004 till Date HDFC Asset Management Company Limited • Feb 1997 to Feb 2004 Templeton Asset Management (India) Pvt. Ltd. Last Position held - AVP & Portfolio Manager (Fixed Income)	Open Ended Income Scheme(s) • HDFC MF Monthly Income Plan (Debt Portfolio) • HDFC Income Fund • HDFC High Interest Fund- Short Term Plan • HDFC Floating Rate Income Fund • HDFC Medium Term Opportunities Fund Open Ended Liquid Income Scheme • HDFC Liquid Fund Close Ended Income Scheme(s) • HDFC Fixed Maturity Plans - Series XII • HDFC Fixed Maturity Plans - Series XV

^ jointly with Mr. Srinivas Rao Ravuri

* excluding Overseas investments if any.

Name & Age	Educational Qualifications	Experience (last 10 years)	Fund(s) Managed*
Mr. Vinay R. Kulkarni 46 Years	B.Tech (IIT, Mumbai), PGDM (IIM, Bangalore)	Collectively over 23 years of experience, of which 21 years in Fund Management and Equity Research and 2 years in the IT industry. • November 3, 2006 till date HDFC Asset Management Company Limited • August 2, 2006 to October 20, 2006 Tata Asset Management Limited Last Position Held - Senior Fund Manager • July 26, 2005 to July 28, 2006 Deutsche Asset Management (India) Pvt. Ltd. Last Position Held - Senior Fund Manager • June 8, 1992 to July 25, 2005 UTI Asset Management Company (Pvt.) Ltd. Last Position Held - Fund Manager	Open Ended Growth Scheme(s) • HDFC Core & Satellite Fund • HDFC Premier Multi-Cap Fund Open Ended Index Linked Scheme • HDFC Index Fund Open Ended Equity Linked Savings Scheme with a Lock-in period of 3 years • HDFC TaxSaver Open Ended Income Scheme • HDFC MF Monthly Income Plan - Short Term Plan (Equities) • HDFC Multiple Yield Fund (Equities)
Mr. Chirag Setalvad 37 Years	B.Sc. in Business Administration - University of North Carolina, Chapel Hill.	Collectively over 15 years of experience, of which 12 years in Fund Management and Equity Research and 3 years in investment banking. • March 19, 2007 till date HDFC Asset Management Company Limited • October 2004 - February 28, 2007 New Vernon Advisory Services Pvt. Ltd. Last Position Held - Vice President • July 2000 - August 31, 2004 HDFC Asset Management Company Limited Last Position Held - Fund Manager • September 1996 - June 2000 ING Barings N.V., Mumbai Last Position Held - Asst. Manager	Open Ended Growth Scheme • HDFC Capital Builder Fund Open Ended Equity Scheme • HDFC Mid-Cap Opportunities Fund Open Ended Balanced Scheme(s) • HDFC Children's Gift Fund • HDFC Balanced Fund Open Ended Equity Linked Savings Scheme with a Lock-in period of 3 years • HDFC Long Term Advantage Fund Open Ended Income Scheme • HDFC Multiple Yield Fund - Plan 2005 (Equities)
Mr. Anil Bamboli 40 Years	B. Com, Grad CWA, MMS (Finance), CFA (CFA Institute)	Collectively over 17 years of experience in Fund Management and Research. • July 25, 2003 till Date HDFC Asset Management Company Limited • May 1994 - July 2003 SBI Funds Management Pvt. Ltd. Last Position held - Asst. Vice President	Open Ended Income Scheme(s) • HDFC Multiple Yield Fund (Debt) • HDFC Multiple Yield Fund - Plan 2005 (Debt) • HDFC High Interest Fund • HDFC Short Term Plan • HDFC Cash Management Fund - Treasury Advantage Plan • HDFC Gilt Fund • HDFC Short Term Opportunities Fund Open Ended Equity Fund • HDFC Arbitrage Fund Open Ended Exchange Traded Fund • HDFC Gold Exchange Traded Fund A 3 Year Closed Ended Capital Protection Oriented Income Scheme • HDFC Debt Fund for Cancer Cure Open Ended Fund of Fund Scheme • HDFC Gold Fund

* excluding Overseas investments if any.

Name & Age	Educational Qualifications	Experience (last 10 years)	Fund(s) Managed*
Mr. Bharat Pareek 33 Years	B.Com., A.C.A, Completed CFA awaiting membership of CFA Institute	Collectively over 11 years of experience, of which 7 years in treasury operations and dealing in debt market and 4 years in Fund Management • February 2001 till Date HDFC Asset Management	Open Ended High Liquidity Income Scheme • HDFC Cash Management Fund – Savings Plan & Call Plan Interval Income Scheme • HDFC Quarterly Interval Fund Closed Ended Income Scheme(s) • HDFC Fixed Maturity Plans - Series XVIII • HDFC Fixed Maturity Plans - Series XIX • HDFC Fixed Maturity Plans - Series XX • HDFC Fixed Maturity Plans - Series XXI • HDFC Fixed Maturity Plans - Series 22

* excluding Overseas investments if any.

Dedicated Fund Manager for Overseas Investments

Name & Age	Educational Qualifications	Experience (last 10 years)	Fund(s) Managed
Mr. Miten Lathia 34 Years	CFA (CFA Institute); CA (ICAI); B. Com. (Mumbai University).	Collectively over 12 years of experience in Equity Research • December 26, 2006 to date HDFC Asset Management Company Limited • June 1, 2004 to December 12, 2006 BRICS Securities Limited Position Held: Vice President - Research • January 1, 2004 to May 31, 2004 Enam Securities Pvt. Ltd. Position Held: Analyst • January 1, 2001 to December 26, 2003 SSKI Securities Pvt. Ltd. Position Held: AVP Research • October 1, 1999 to December 31, 2000 Anand Rathi Securities Pvt. Ltd. Position Held: Manager Research	All eligible schemes of HDFC Mutual Fund investing in foreign securities.

I. WHAT ARE THE INVESTMENT RESTRICTIONS?

Pursuant to SEBI (MF) Regulations, the following investment restrictions are applicable to the Scheme (s):

- The mutual fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:
Provided that a mutual fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI.
Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI.
Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.
- The Mutual Fund shall enter into transactions relating to Government Securities only in dematerialised form.
- The Mutual Fund will, for securities purchased in the non-depository mode get the securities transferred in the name of the Mutual Fund on account of the Scheme(s), wherever the investments are intended to be of a long term nature.

- The Scheme(s) shall not invest more than 15% of its NAV in debt instruments [irrespective of residual maturity period (above or below one year)], issued by a single issuer, which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the SEBI Act. Such investment limit may be extended to 20% of the NAV of the Scheme with the prior approval of the Trustee and the Board of the AMC.
Provided that such limit shall not be applicable for investments in government securities.
Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with SEBI.
- The Scheme(s) shall not invest more than 10% of its NAV in unrated debt instruments [irrespective of residual maturity period (above or below one year)], issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the Scheme(s). All such investments shall be made with the prior approval of the Trustee and the Board of the AMC.
- The Mutual Fund under all its Scheme(s) will not own more than 10% of any Company's paid up capital carrying voting rights.

- The Scheme shall not invest more than 30% of its net assets in money market instruments of an issuer.
Provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.
- Transfer of investments from one scheme to another scheme in the same Mutual Fund, shall be allowed only if:-
 - (a) such transfers are made at the prevailing market price for quoted Securities on spot basis
Explanation : spot basis shall have the same meaning as specified by Stock Exchange for spot transactions
 - (b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
- The Scheme(s) may invest in another scheme(s) under the same AMC or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same AMC or in schemes under the management of any other asset management shall not exceed 5% of the net asset value of the Mutual Fund.
- Pending deployment of funds as per investment objective, the moneys under the Scheme(s) may be parked in short-term deposits of Scheduled Commercial Banks. The Scheme(s) shall abide by the guidelines for parking of funds in short term deposits as mentioned in section '**WHERE WILL THE SCHEME INVEST?**' on **Page 24**.
- The Scheme(s) shall not make any investments in:
 - (a) any unlisted security of an associate or group company of the Sponsors; or
 - (b) any security issued by way of private placement by an associate or group company of the Sponsors; or
 - (c) the listed securities of group companies of the Sponsors which is in excess of 25% of the net assets.
 - (d) any fund of funds scheme
- The Scheme(s) shall not invest more than 10 per cent of its NAV in case of the equity shares or equity related instruments of any company and in listed securities / units of Venture Capital Funds.
- The Scheme(s) shall not invest more than 5% of its NAV in the unlisted equity shares or equity related instruments and

in unlisted securities / units of Venture Capital Funds.

- The portfolio of HDFC Liquid Fund, HDFC Liquid Fund-Premium Plan & Premium Plus Plan and HDFC Cash Management Fund - Savings Plan and Call Plan will comply with the following additional investment restrictions in accordance with the SEBI/IMD/CIR No. 13/ 150975/ 09 dated January 19, 2009:
 - (i) The Scheme(s) shall make investment in/ purchase debt and money market securities with maturity of upto 91 days only.
 - (ii) In case of securities with put and call options (daily or otherwise) the residual maturity shall not be greater than 91 days.

Explanation:

- a) In case of securities where the principal is to be repaid in a single payout, the maturity of the securities shall mean residual maturity. In case the principal is to be repaid in more than one payout then the maturity of the securities shall be calculated on the basis of weighted average maturity of security.
- b) In case the maturity of the security falls on a non-business day then settlement of securities will take place on the next business day.
- c) Inter-scheme transfers of securities held in other schemes having maturity of upto 91 days only shall be permitted in the Liquid Schemes.

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

As **HDFC Gilt Fund** intends to invest only in Government Securities, the limitation clause is not relevant to **HDFC Gilt Fund**.

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

J. HOW HAVE THE SCHEME(S) PERFORMED?

Performance of the Scheme(s) (as at March 30, 2012)

HDFC Income Fund - Growth Option

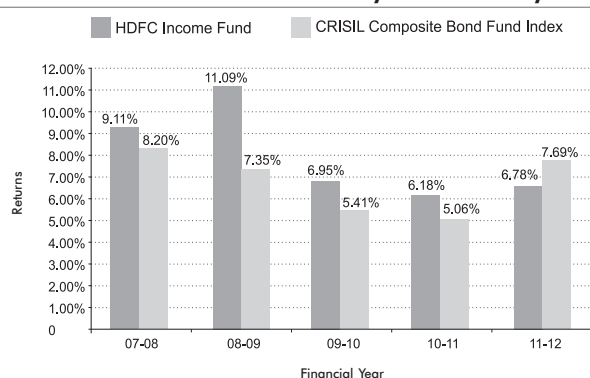
Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	6.78	7.69
Last 3 Years (1096 days)	6.79	6.08
Last 5 Years (1827 days)	7.98	6.74
Since Inception* (4218 days)	7.99	N.A.

^ Past performance may or may not be sustained in the future
Above returns are compounded annualized (CAGR).

* Inception Date: September 11, '00

CRISIL Composite Bond Fund Index N.A. Not Available

Absolute returns for each financial year for last 5 years ^



HDFC High Interest Fund - Growth Option

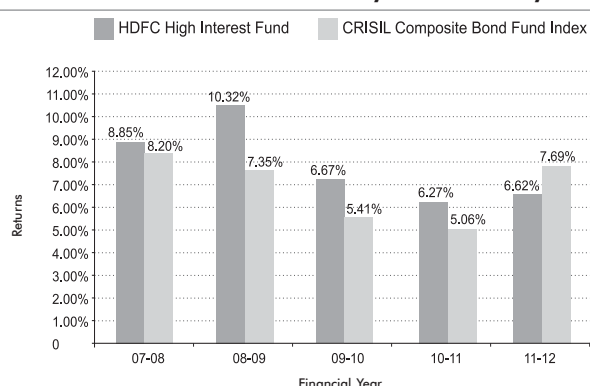
Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	6.62	7.69
Last 3 Years (1096 days)	6.66	6.08
Last 5 Years (1827 days)	7.71	6.74
Since Inception* (5450 days)	8.81	N.A.

^ Past performance may or may not be sustained in the future
Above returns are compounded annualized (CAGR).

* Inception Date: April 28, '97

CRISIL Composite Bond Fund Index N.A. Not Available

Absolute returns for each financial year for last 5 years ^



HDFC High Interest Fund - Short Term Plan - Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	8.86	8.33
Last 3 Years (1096 days)	7.53	6.45
Last 5 Years (1827 days)	9.10	7.56
Since Inception* (3705 days)	7.60	N.A.

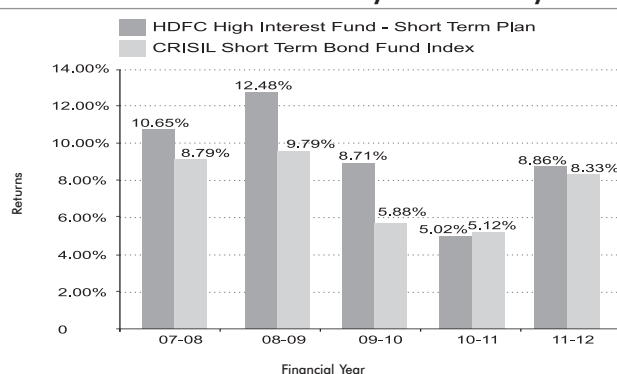
^ Past performance may or may not be sustained in the future
Above returns are compounded annualized (CAGR).

* Inception Date: February 6, '02

CRISIL Short Term Bond Fund Index

N.A. Not Available

Absolute returns for each financial year for last 5 years ^



HDFC Short Term Plan - Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	8.84	8.33
Last 3 Years (1096 days)	7.27	6.45
Last 5 Years (1827 days)	9.02	7.56
Since Inception* (3683 days)	7.43	N.A.

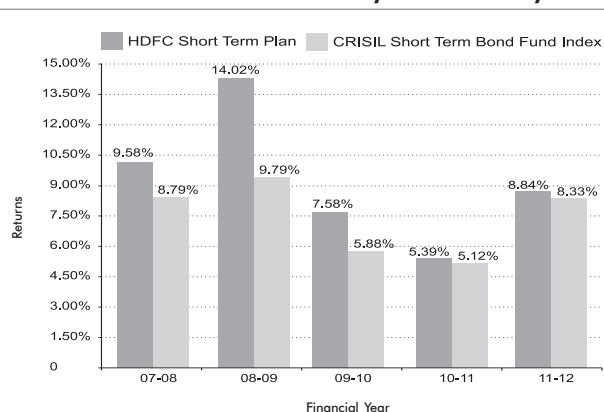
^ Past performance may or may not be sustained in the future
Above returns are compounded annualized (CAGR).

* Inception Date: February 28, '02

CRISIL Short Term Bond Fund Index

N.A. Not Available

Absolute returns for each financial year for last 5 years ^



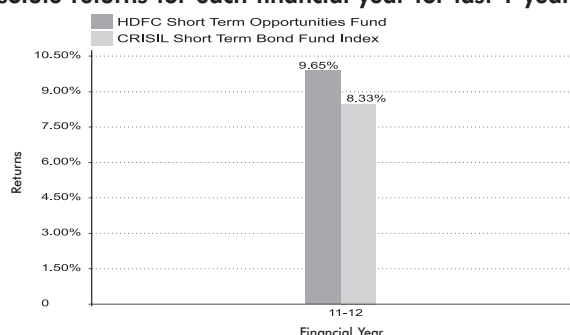
Performance of the Scheme(s) (as at March 30, 2012) (contd.....)
HDFC Short Term Opportunities Fund - Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	9.65	8.33
Since Inception* (644 days)	8.64	6.86

^ Past performance may or may not be sustained in the future
 Above returns are compounded annualized (CAGR).

CRISIL Short Term Bond Fund Index

* Inception Date: June 25, '10

Absolute returns for each financial year for last 1 year ^


No graph provided for Financial Year 2010-11 as the Scheme was not in existence for the full financial year

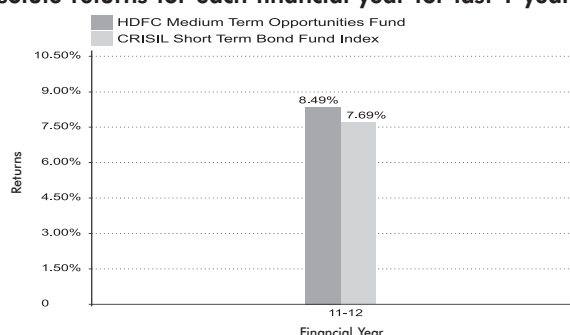
HDFC Medium Term Opportunities Fund - Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	8.49	7.69
Since Inception* (640 days)	8.07	6.28

^ Past performance may or may not be sustained in the future
 Above returns are compounded annualized (CAGR).

CRISIL Composite Bond Fund Index

* Inception Date: June 29, '10

Absolute returns for each financial year for last 1 year ^


No graph provided for Financial Year 2010-11 as the Scheme was not in existence for the full financial year

HDFC Floating Rate Income Fund - Long Term Plan - Growth Option

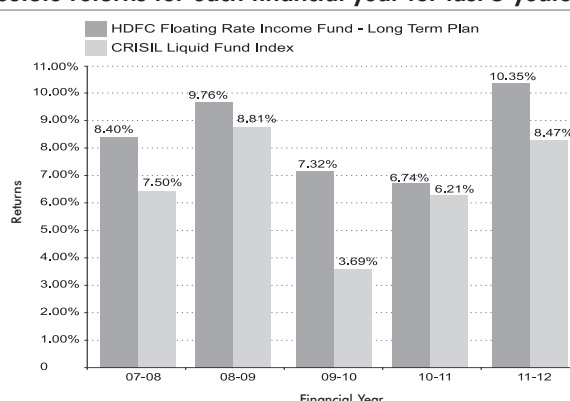
Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	10.35	8.47
Last 3 Years (1096 days)	8.05	6.10
Last 5 Years (1827 days)	8.45	6.91
Since Inception* (3361 days)	6.95	6.00

^ Past performance may or may not be sustained in the future
 Above returns are compounded annualized (CAGR).

* Inception Date: January 16, '03

CRISIL Liquid Fund Index

Since Inception returns are calculated on ₹ 10.0104 (allotment price)

Absolute returns for each financial year for last 5 years ^

HDFC Floating Rate Income Fund - Short Term Plan - Retail Option - Growth Option

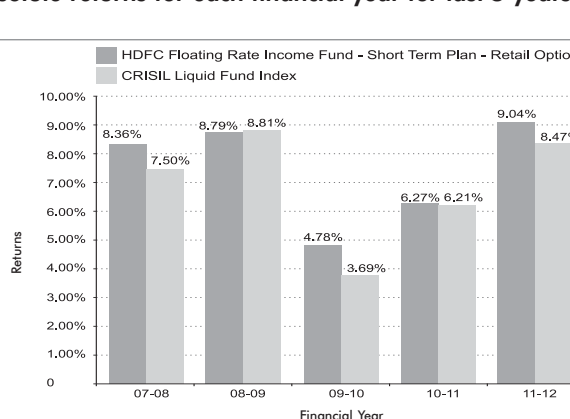
Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	9.04	8.47
Last 3 Years (1096 days)	6.68	6.10
Last 5 Years (1827 days)	7.43	6.91
Since Inception* (3361 days)	6.60	6.00

^ Past performance may or may not be sustained in the future
 Above returns are compounded annualized (CAGR).

* Inception Date: January 16, '03

CRISIL Liquid Fund Index

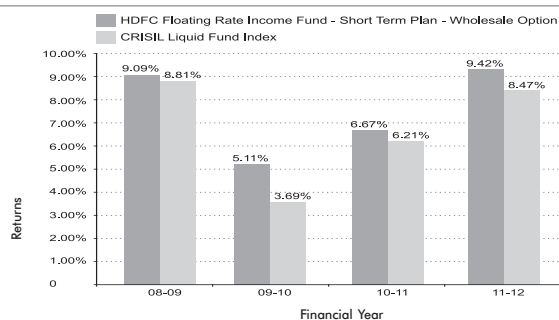
Since Inception returns are calculated on ₹ 10.0101 (allotment price)

Absolute returns for each financial year for last 5 years ^


Performance of the Scheme(s) (as at March 30, 2012) (contd.....)
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option- Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 year (366 days)	9.42	8.47
Last 3 years (1096 days)	7.04	6.10
Since Inception* (1620 days)	7.67	6.77

^ Past performance may or may not be sustained in the future
 Above returns are compounded annualized (CAGR).
 * Inception Date: October 23, '07
 # CRISIL Liquid Fund Index
 Since Inception returns are calculated on ₹ 13.1821 (allotment price)

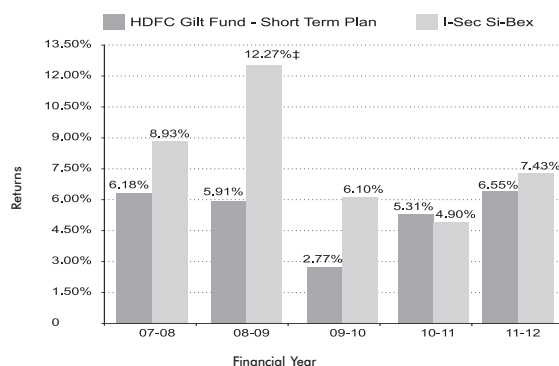
Absolute returns for each financial year for last 4 years ^


No graph provided for Financial Year 2007-08 as the Plan was not in existence for the full financial year.

HDFC Gilt Fund - Short Term Plan - Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	6.55	7.43
Last 3 Years (1096 days)	4.86	6.12
Last 5 Years (1827 days)	5.32	7.89
Since Inception* (3901 days)	5.51	N.A.

^ Past performance may or may not be sustained in the future
 Above returns are compounded annualized (CAGR).
 # I-Sec Si-Bex
 N.A. Not Available
 *Inception Date: July 25, '01

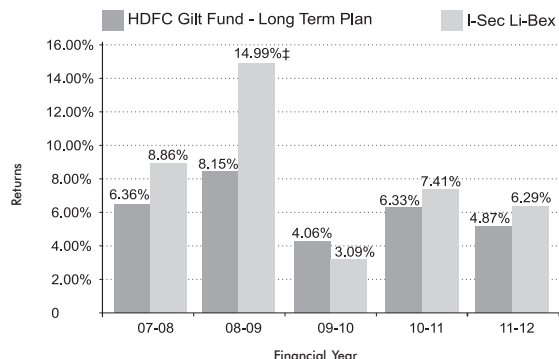
Absolute returns for each financial year for last 5 years ^


‡ Due to an overall sharp rise in the stock prices

HDFC Gilt Fund - Long Term Plan - Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	4.87	6.29
Last 3 Years (1096 days)	5.21	5.47
Last 5 Years (1827 days)	5.94	8.06
Since Inception* (3901 days)	7.12	N.A.

^ Past performance may or may not be sustained in the future
 Above returns are compounded annualized (CAGR).
 # I-Sec Li-Bex
 N.A. Not Available
 * Inception Date: July 25, '01

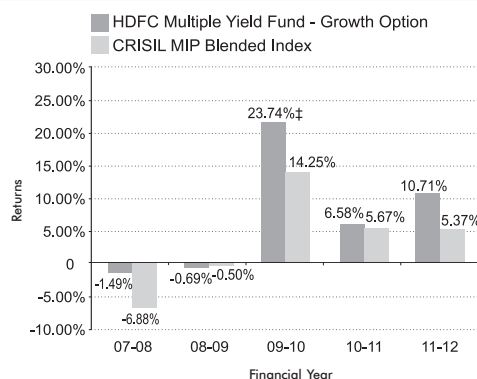
Absolute returns for each financial year for last 5 years ^


‡ Due to an overall sharp rise in the stock prices

HDFC Multiple Yield Fund - Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	10.71	5.37
Last 3 Years (1096 days)	13.87	8.58
Last 5 Years (1827 days)	10.09	7.35
Since Inception* (2751 days)	9.40	7.64

^ Past performance may or may not be sustained in the future
 Above returns are compounded annualized (CAGR).
 * Inception Date: September 17, '04
 # CRISIL MIP Blended Index

Absolute Returns for each financial year for last 5 years ^


‡ Due to an overall sharp rise in the stock prices

Performance of the Scheme(s) (as at March 30, 2012) (contd.....)

HDFC Multiple Yield Fund - Plan 2005 - Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	9.71	5.37
Last 3 Years (1096 days)	13.36	8.58
Last 5 Years (1827 days)	10.10	7.35
Since Inception* (2417 days)	9.08	7.39

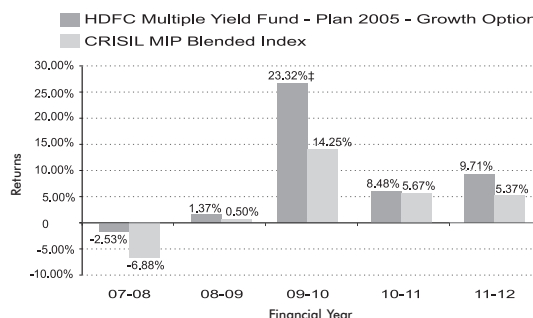
^ Past performance may or may not be sustained in the future

Above returns are compounded annualized (CAGR).

* Inception Date: August 17, '05

CRISIL MIP Blended Index

Absolute returns for each financial year for last 5 years ^



† Due to an overall sharp rise in the stock prices

HDFC MF Monthly Income Plan - Short Term Plan - Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	6.90	5.37
Last 3 Years (1096 days)	10.10	8.58
Last 5 Years (1827 days)	7.32	7.35
Since Inception* (3017 days)	7.53	6.87

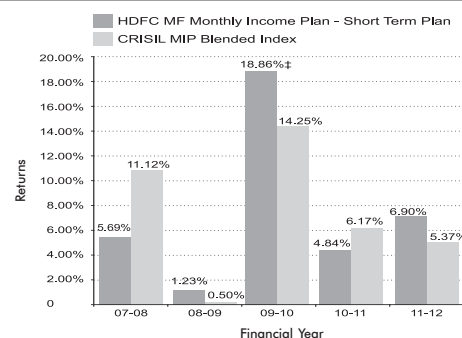
^ Past performance may or may not be sustained in the future

Above returns are compounded annualized (CAGR).

* Inception Date: December 26, '03

Index - CRISIL MIP Blended Index

Absolute returns for each financial year for last 5 years ^



† Due to an overall sharp rise in the stock prices

HDFC MF Monthly Income Plan - Long Term Plan - Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	5.52	5.37
Last 3 Years (1096 days)	15.29	8.58
Last 5 Years (1827 days)	10.46	7.35
Since Inception* (3017 days)	11.32	6.87

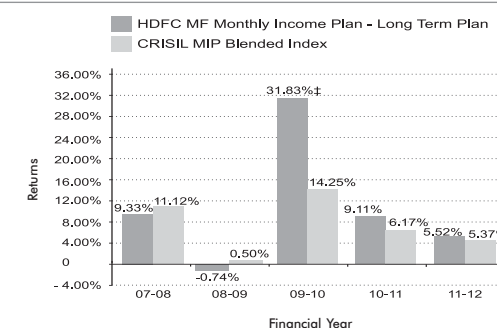
^ Past performance may or may not be sustained in the future

Above returns are compounded annualized (CAGR).

* Inception Date: December 26, '03

Index - CRISIL MIP Blended Index

Absolute returns for each financial year for last 5 years ^



† Due to an overall sharp rise in the stock prices

HDFC Cash Management Fund - Savings Plan - Growth Option

Period	Returns (%) ^ \$	Benchmark Returns (%)#
Last 1 Year (366 days)	9.35	8.47
Last 3 Years (1096 days)	6.81	6.10
Last 5 Years (1827 days)	7.46	6.91
Since Inception* (4516 days)	6.77	N.A.

^ Past performance may or may not be sustained in the future

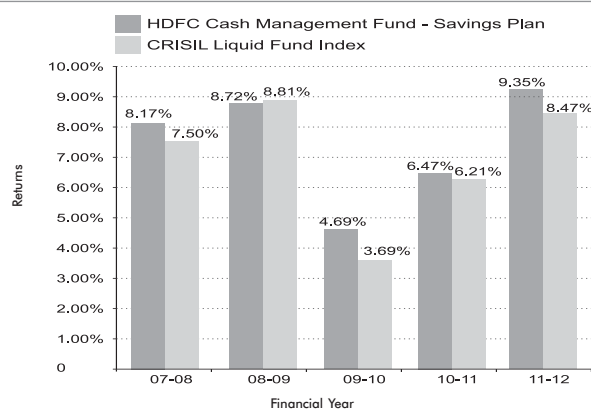
Above returns are compounded annualized (CAGR).

* Inception Date: November 18, '99

CRISIL Liquid Fund Index N.A. Not Available

\$ All dividends declared prior to the splitting of the Scheme into Dividend & Growth Options have been reinvested in the units of the Scheme at the then prevailing NAV (applicable ex-dividend NAV).

Absolute returns for each financial year for last 5 years ^



Performance of the Scheme(s) (as at March 30, 2012) (contd.....)

HDFC Cash Management Fund - Treasury Advantage Plan - Retail Option - Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	8.90	8.47
Last 3 Years (1096 days)	6.64	6.10
Last 5 Years (1827 days)	7.32	6.91
Since Inception* (4516 days)	7.02	N.A.

^ Past performance may or may not be sustained in the future

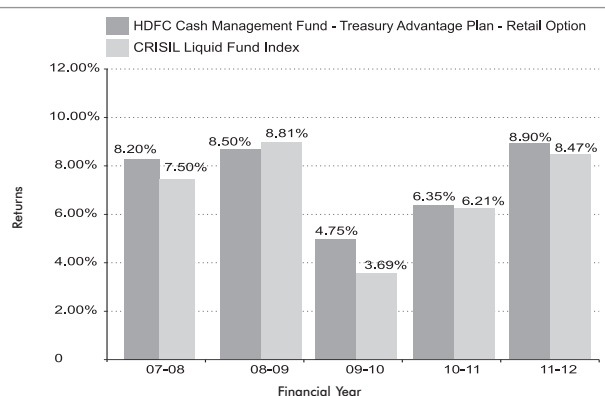
Above returns are compounded annualized (CAGR).

* Inception Date: November 18, '99

CRISIL Liquid Fund Index

N.A. Not Available

Absolute returns for each financial year for last 5 years ^



HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale Option - Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	9.37	8.47
Last 3 Years (1096 days)	6.99	6.10
Since Inception* (1803 days)	7.66	6.82

^ Past performance may or may not be sustained in the future

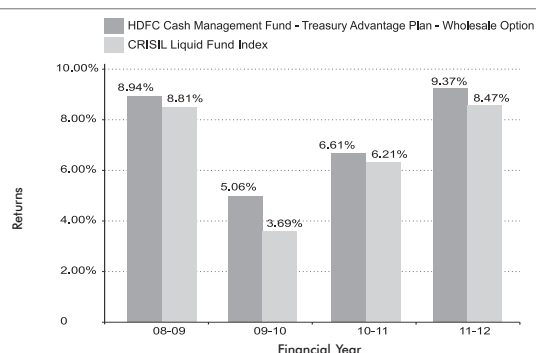
Above returns are compounded annualized (CAGR).

* Inception Date: April 23, '07

CRISIL Liquid Fund Index

Since Inception returns are calculated on ₹ 16.3449 (allotment price)

Absolute returns for each financial year for last 4 years ^



No graph provided for Financial Year 2007-08 as the Plan was not in existence for the full financial year.

HDFC Cash Management Fund - Call Plan - Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	8.06	8.47
Last 3 Years (1096 days)	5.54	6.10
Last 5 Years (1827 days)	6.09	6.91
Since Inception* (3705 days)	5.61	N.A.

^ Past performance may or may not be sustained in the future

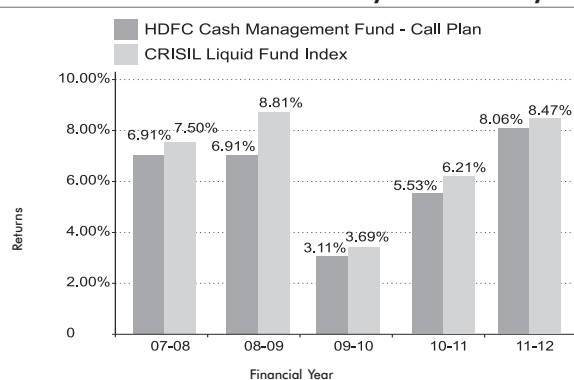
Above returns are compounded annualized (CAGR).

* Inception Date: February 6, '02

CRISIL Liquid Fund Index

N.A. Not Available

Absolute returns for each financial year for last 5 years ^



HDFC Liquid Fund - Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	9.27	8.47
Last 3 Years (1096 days)	6.63	6.10
Last 5 Years (1827 days)	7.30	6.91
Since Inception* (4182 days)	6.77	N.A.

^ Past performance may or may not be sustained in the future

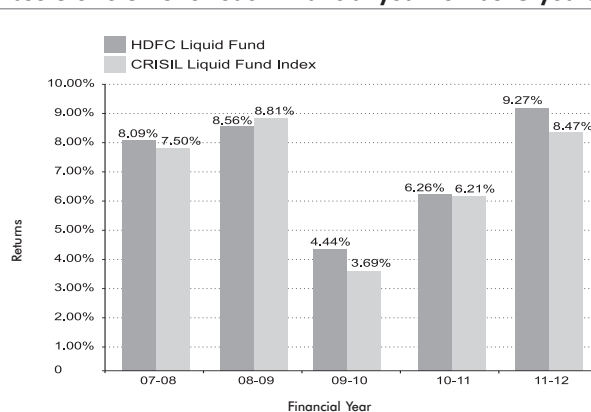
Above returns are compounded annualized (CAGR).

* Inception Date: October 17, '00

CRISIL Liquid Fund Index

N.A. Not Available

Absolute returns for each financial year for last 5 years ^



Performance of the Scheme(s) (as at March 30, 2012) (contd.....)

HDFC Liquid Fund - Premium Plan - Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	9.38	8.47
Last 3 Years (1096 days)	6.83	6.10
Last 5 Years (1827 days)	7.49	6.91
Since Inception* (3322 days)	6.64	6.02

^ Past performance may or may not be sustained in the future

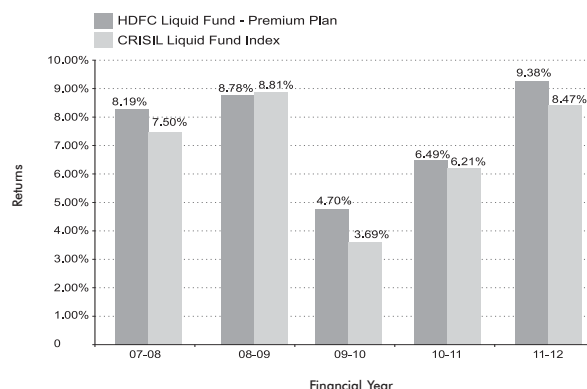
Above returns are compounded annualized (CAGR).

* Inception Date: February 24, '03

CRISIL Liquid Fund Index

Since Inception returns are calculated on ₹ 11.9684 (allotment price)

Absolute returns for each financial year for last 5 years ^



HDFC Liquid Fund - Premium Plus Plan - Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	9.38	8.47
Last 3 Years (1096 days)	6.83	6.10
Last 5 Years (1827 days)	7.49	6.91
Since Inception* (3322 days)	6.67	6.02

^ Past performance may or may not be sustained in the future

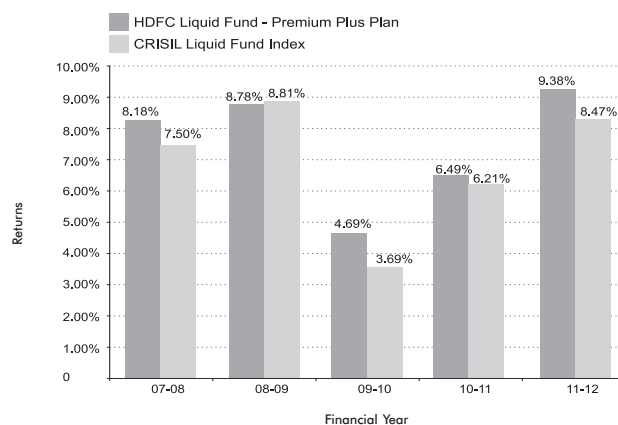
Above returns are compounded annualized (CAGR).

* Inception Date: February 24, '03

CRISIL Liquid Fund Index

Since Inception returns are calculated on ₹ 11.9684 (allotment price)

Absolute returns for each financial year for last 5 years ^



III. UNITS AND OFFER

This Section provides details you need to know for investing in the Scheme.

A. NEW FUND OFFER (NFO)

All the Scheme(s) forming part of this SID have already been launched. The Date of Inception for all the scheme(s) are as mentioned hereunder.

Name of the Scheme	Date of Inception / Allotment
HDFC Income Fund	September 11, 2000
HDFC High Interest Fund * \$	<ul style="list-style-type: none"> HDFC High Interest Fund: April 28, 1997 HDFC High Interest Fund - Short Term Plan: February 6, 2002
HDFC Short Term Plan	February 28, 2002
HDFC Short Term Opportunities Fund	June 25, 2010
HDFC Medium Term Opportunities Fund	June 29, 2010
HDFC Floating Rate Income Fund	January 16, 2003 - Short Term Plan (Retail) & Long Term Plan October 23, 2007 - Short Term Plan (Wholesale)
HDFC Gilt Fund	July 25, 2001
HDFC Multiple Yield Fund	September 17, 2004
HDFC Multiple Yield Fund - Plan 2005	August 17, 2005
HDFC MF Monthly Income Plan	December 26, 2003
HDFC Cash Management Fund * \$\$	<ul style="list-style-type: none"> Savings Plan and Treasury Advantage Plan (Retail): November 18, 1999 Call Plan: February 6, 2002 Treasury Advantage Plan (Wholesale): April 23, 2007
HDFC Liquid Fund	<ul style="list-style-type: none"> HDFC Liquid Fund: October 17, 2000 HDFC Liquid Fund - Premium Plan and Premium Plus Plan: February 24, 2003

* Scheme(s) of Zurich India Mutual Fund migrated to HDFC Mutual Fund effective, June 19, 2003.

\$ Formerly known as Zurich India High Interest Fund, \$\$ Formerly known as Zurich India Liquidity Fund.

Therefore, the Section 'NEW FUND OFFER' is not relevant, except for the details as under :

Plans / Options offered	HDFC Income Fund (HIF)	HDFC High Interest Fund (HHIF)	HDFC High Interest Fund-Short Term Plan (HHIF - STP)	HDFC Short Term Plan (HSTP)
	Plans: Nil Options: <ul style="list-style-type: none"> Growth Option Dividend Option (Quarterly) Dividend Option offers Dividend Payout and Reinvestment facility.	Plans: Nil Options: <ul style="list-style-type: none"> Growth Option Dividend Option <ul style="list-style-type: none"> Quarterly Dividend Option Half yearly Dividend Option Yearly Dividend Option Quarterly, Half yearly and Yearly Dividend Option offers Payout and Reinvestment facility.	Plans: Nil Options: <ul style="list-style-type: none"> Growth Option Dividend Option (Fortnightly) Dividend Option offers Dividend Payout and Reinvestment facility.	Plans: Nil Options: <ul style="list-style-type: none"> Growth Option Dividend Option Dividend Option offers Dividend Payout and Reinvestment facility.

HDFC Short Term Opportunities Fund (HSTOF)	HDFC Medium Term Opportunities Fund (HMTOF)	HDFC Floating Rate Income Fund (HFRIF)	HDFC Gilt Fund (HGILT)
Plans: Nil Options: <ul style="list-style-type: none"> • Growth Option • Dividend Option (Fortnightly) Dividend Option offers Dividend Payout and Reinvestment facility.	Plans: Nil Options: <ul style="list-style-type: none"> • Growth Option • Dividend Option Dividend Option offers Dividend Payout and Reinvestment facility.	Plan: <ul style="list-style-type: none"> • Short Term Plan Options: <ul style="list-style-type: none"> • Wholesale Option <ul style="list-style-type: none"> ➢ Growth Option ➢ Dividend Option • Retail Option <ul style="list-style-type: none"> ➢ Growth Option ➢ Dividend Option Dividend Option offers Daily Dividend Option with Reinvestment facility only and Weekly and Monthly Dividend Option with Payout and Reinvestment facility.	Plans: <ul style="list-style-type: none"> • Short Term Plan • Long Term Plan Options: <ul style="list-style-type: none"> • Growth Option • Dividend Option (Quarterly) Dividend Option offers Dividend Payout and Reinvestment facility.
HDFC Multiple Yield Fund (HMYF) & HDFC Multiple Yield Fund - Plan 2005 (HMYF05)	HDFC MF Monthly Income Plan (HMIP)	HDFC Cash Management Fund (HCMF)	HDFC Liquid Fund (HLF)
Plans: Nil Options: <ul style="list-style-type: none"> • Growth Option • Dividend Option Dividend Option offers Dividend Payout and Reinvestment facility.	Plans: <ul style="list-style-type: none"> • Short Term Plan • Long Term Plan Options: Both the plans offer Growth Option and Dividend Option. Dividend Option offers Monthly and Quarterly Dividend Option with Payout and Reinvestment facility.	Plan: <ul style="list-style-type: none"> • Savings Plan Options: <ul style="list-style-type: none"> • Growth Option • Dividend Option Dividend Option offers Daily Dividend Option with Reinvestment facility only and Weekly Dividend Option with Payout and Reinvestment facility.	Plans: <ul style="list-style-type: none"> • HLF Options: <ul style="list-style-type: none"> • Growth Option • Dividend Option Dividend Option offers Daily Dividend Option with Reinvestment facility only and Weekly Dividend Option with Payout and Reinvestment facility.
		Plan: <ul style="list-style-type: none"> • Call Plan Options: <ul style="list-style-type: none"> • Growth Option • Daily Dividend facility with Reinvestment facility only 	Plans: <ul style="list-style-type: none"> • HLF - Premium Plan • HLF - Premium Plus Plan Options: <ul style="list-style-type: none"> • Growth Option • Dividend Option Dividend Option under HLF - Premium Plan offers Daily Dividend Option with Reinvestment facility only and Weekly Dividend Option with Payout and Reinvestment facility. Dividend Option under HLF-Premium Plus Plan offers Weekly Dividend Option with Payout and Reinvestment facility.
		Plan: <ul style="list-style-type: none"> • Treasury Advantage Plan Option: <ul style="list-style-type: none"> • Wholesale Option <ul style="list-style-type: none"> ➢ Growth Option ➢ Dividend Option • Retail Option <ul style="list-style-type: none"> ➢ Growth Option ➢ Dividend Option Dividend Option offers Daily Dividend Option with Reinvestment facility only and Weekly and Monthly Dividend Option with Payout and Reinvestment facility.	

Growth Option

Dividends will not be declared under this Option. The income attributable to Units under this Plan / Option will continue to remain invested and will be reflected in the Net Asset Value of Units under this Option.

Hence, Unitholders who opt for this Option will not receive any dividend.

Dividend Option

Under the Dividend Option, it is proposed to declare dividends, as mentioned in the table below, subject to availability of distributable profits, as computed in accordance with SEBI (MF) Regulations.

Name of the Scheme	Frequency	Record Date*
HDFC Income Fund	Quarterly	As may be decided by the Trustee from time to time
HDFC Gilt Fund	Quarterly	
HDFC Liquid Fund	Daily, Weekly and Monthly	Daily: Every Day Weekly: Every Monday Monthly: Last Monday of the month
HDFC Liquid Fund - Premium Plan	Daily & Weekly	Daily: Every Day Weekly: Every Monday
HDFC Liquid Fund Premium Plus Plan	Weekly	Every Monday
HDFC Short Term Plan	Monthly	25th day of every month
HDFC Floating Rate Income Fund	• Short Term Plan: Daily, Weekly and Monthly	Daily: Every Day Weekly: Every Monday Monthly: Last Monday of the month
	• Long Term Plan: Weekly	Every Monday
HDFC Multiple Yield Fund	As may be decided by the Trustee from time to time	As may be decided by the Trustee from time to time
HDFC Multiple Yield Fund - Plan 2005		
HDFC High Interest Fund	Quarterly, Half-Yearly and Yearly	
HDFC High Interest Fund - Short Term Plan	Fortnightly	10th and 25th of every month
HDFC Short Term Opportunities Fund	Fortnightly	10th and 25th of every month
HDFC Medium Term Opportunities Fund	As may be decided by the Trustee from time to time	As may be decided by the Trustee from time to time
HDFC Cash Management Fund	• Savings Plan: Daily and Weekly	Every Day - for Daily Dividend Every Friday for the Weekly Dividend
	• Call Plan: Daily	Every Day
	• Treasury Advantage Plan: Daily, Weekly and Monthly	Every Day for Daily Dividend, every Monday for Weekly Dividend and Last Monday for Monthly Dividend
HDFC MF Monthly Income Plan	Monthly and Quarterly	Monthly: 25th day of each month Quarterly: 25th day of the third month of each quarter i.e. quarter ending March, June, September and December.

* or immediately succeeding Business Day if that is not a Business Day. The Trustee reserves the right to change the frequency / record date from time to time.

Dividend Payout Facility - Applicable to all Scheme(s) offering Dividend Payout Facility

Dividends, if declared, will be paid (subject to deduction of tax at source, if any) to those Unitholders / Beneficial Owners whose names appear in the Register of Unit holders maintained by the Mutual Fund/ statement of beneficial ownership maintained by the Depositories, as applicable, on the notified record date. The Trustee / AMC reserves the right to change the record date from time to time. However, it must be distinctly understood that the actual declaration of dividend and the

frequency thereof will inter-alia, depend on the availability of distributable profits as computed in accordance with SEBI (MF) Regulations. The decision of the Trustee in this regard shall be final. There is no assurance or guarantee to Unit holders as to the rate of dividend distribution nor that dividends will be paid regularly. In order to be a Unit holder, an investor has to be allotted Units against receipt of clear funds by the Scheme. On payment of dividends, the NAV will stand reduced by the amount of dividend and dividend tax (if applicable) paid.

Dividend Re-investment Facility - Applicable to all Scheme(s) offering Dividend Re-investment Facility

Unit holders opting for Dividend Plan / Option may choose to reinvest the dividend to be received by them in additional Units of the Scheme. Under this facility, the dividend due and payable to the Unit holders will be compulsorily and without any further act by the Unit holders, reinvested in the Dividend Plan / Option at the prevailing ex-dividend Net Asset Value per Unit on the record date. The amount of dividend re-invested will be net of tax deducted at source, wherever applicable. The dividends so reinvested shall constitute a constructive payment of dividends to the Unit holders and a constructive receipt of the same amount from each Unit holder for reinvestment in Units.

On reinvestment of dividends, the number of Units to the credit of Unit holder will increase to the extent of the dividend reinvested divided by the Applicable NAV as explained above.

There shall, however, be no Entry Load and Exit Load on the dividend so reinvested.

Default Option

Investors should indicate the Plan / Option for which the subscription is made by indicating the choice in the appropriate box provided for this purpose in the application form. In case of valid applications received without indicating any choice of Plan / Option, the following default Plan / Option will be considered:

Name of the Scheme / Plan	Default Plan / Option
<ul style="list-style-type: none"> • HDFC Income Fund • HDFC Gilt Fund • HDFC Multiple Yield Fund - Plan 2005 • HDFC Short Term Plan • HDFC Short Term Opportunities Fund • HDFC Medium Term Opportunities Fund 	<ul style="list-style-type: none"> • Growth Option in case Growth Option or Dividend Option is not indicated. • Dividend Payout in case Dividend Payout or Dividend Reinvestment is not indicated under the Dividend Option.
<ul style="list-style-type: none"> • HDFC Multiple Yield Fund 	<ul style="list-style-type: none"> • Growth Option in case Growth Option or Dividend Option is not indicated. • Dividend Reinvestment in case Dividend Payout or Dividend Reinvestment is not indicated under the Dividend Option.
<ul style="list-style-type: none"> • HDFC Liquid Fund 	<ul style="list-style-type: none"> • Growth Option in case Growth Option or Dividend Option is not indicated. • Daily Dividend Reinvestment Option in case Daily Dividend Option, Weekly Dividend Option or Monthly Dividend Option is not indicated under the Dividend Option • Dividend Reinvestment in case Payout or Reinvestment is not indicated.
<ul style="list-style-type: none"> • HDFC Liquid Fund – Premium Plan and Premium Plus Plan 	<ul style="list-style-type: none"> • Growth Option in case Growth Option or Dividend Option is not indicated. • Daily Dividend Reinvestment Option in case Daily Dividend Option or Weekly Dividend Option is not indicated under the Dividend Option of HDFC Liquid Fund – Premium Plan • Dividend Reinvestment in case Payout or Reinvestment is not indicated.

	Name of the Scheme / Plan	Default Plan / Option
	<ul style="list-style-type: none"> HDFC Cash Management Fund – Savings Plan, Treasury Advantage Plan – Retail Option & Wholesale Option and Call Plan 	<ul style="list-style-type: none"> Treasury Advantage Plan – Retail Option with Weekly Dividend Reinvestment Option in case Savings Plan, Treasury Advantage Plan or Call Plan is not indicated.
	<ul style="list-style-type: none"> HDFC Cash Management Fund – Savings Plan 	<ul style="list-style-type: none"> Growth Option in case Dividend Option or Growth Option is not indicated. Daily Dividend Reinvestment in case Daily or Weekly Dividend Option is not indicated. Dividend Reinvestment in case Payout or Reinvestment is not indicated.
	<ul style="list-style-type: none"> HDFC Cash Management Fund – Treasury Advantage Plan – Retail Option & Wholesale Option 	<ul style="list-style-type: none"> Retail Option in case Retail Option or Wholesale Option is not indicated. Growth Option in case Dividend Option or Growth Option is not indicated. Daily Dividend Reinvestment in case Daily, Weekly or Monthly Dividend Option is not indicated. Dividend Reinvestment in case Payout or Reinvestment is not indicated.
	<ul style="list-style-type: none"> HDFC Cash Management Fund – Call Plan 	<ul style="list-style-type: none"> Growth Option in case Daily Dividend Option or Growth Option is not indicated.
	<ul style="list-style-type: none"> HDFC High Interest Fund 	<ul style="list-style-type: none"> Growth Option in case Dividend Option or Growth Option is not indicated. Quarterly Dividend Payout in case Quarterly Dividend Option, Half Yearly Dividend Option and Yearly Dividend Option is not indicated under the Dividend Plan. Dividend Payout in case Dividend Payout or Dividend Reinvestment is not indicated under the Dividend Option.
	<ul style="list-style-type: none"> HDFC High Interest Fund - Short Term Plan 	<ul style="list-style-type: none"> Growth Option in case Dividend Option or Growth Option is not indicated. Dividend Payout in case Dividend Payout or Dividend Reinvestment is not indicated under the Dividend Option.
	<ul style="list-style-type: none"> HDFC Floating Rate Income Fund – Short Term Plan & Long Term Plan 	<ul style="list-style-type: none"> Short Term Plan in case Short Term or Long Term Plan is not indicated. Growth Option in case Growth or Dividend Option is not indicated for Long Term Plan.
	<ul style="list-style-type: none"> HDFC Floating Rate Income Fund – Short Term Plan – Retail Option & Wholesale Option 	<ul style="list-style-type: none"> Retail Option in case Retail Option or Wholesale Option is not indicated. Growth Option in case Dividend Option or Growth Option is not indicated. Daily Dividend Reinvestment in case Daily, Weekly or Monthly Dividend Option is not indicated. Dividend Reinvestment in case Payout or reinvestment is not indicated.
	<ul style="list-style-type: none"> HDFC MF Monthly Income Plan 	<ul style="list-style-type: none"> Long Term Plan in case Long Term Plan or Short Term Plan is not indicated. Growth Option in case Growth Option or Dividend Option is not indicated. Quarterly Dividend Option in case Quarterly/ Monthly dividend is not indicated. Dividend Payout in case Dividend Payout or Dividend Re-investment is not indicated under Monthly Dividend Option or Quarterly Dividend Option.
<p>The AMC reserves the right to introduce a new option/investment Plan at a later date, subject to the SEBI (MF) Regulations. The trustee reserves the right to revise the default plan / option at a later date on prospective basis. The AMC also reserves the right to discontinue / withdraw any option / investment plan, if deemed fit, after taking approval of the Board of Directors of AMC and Trustee.</p>		

<p>Dividend Policy</p>	<p>The Trustee reserves the right to declare dividends under the dividend option of the Scheme(s) depending on the availability of distributable profits under the Scheme(s). It must be distinctly understood that the actual declaration of dividend and the frequency thereof will inter-alia, depend on the availability of distributable profits as computed in accordance with SEBI (MF) Regulations and the decision of the Trustee in this regard shall be final. There is no assurance or guarantee to Unit holders as to the rate of dividend distribution nor that dividends will be paid regularly. In order to be a Unit holder, an investor has to be allotted Units against receipt of clear funds by the Scheme(s). On payment of dividends, the NAV will stand reduced by the amount of dividend and dividend tax (if applicable) paid. The AMC reserves the right to change the record date from time to time.</p> <p>Dividend Distribution Procedure</p> <p>In accordance with SEBI Circular no. SEBI/ IMD/ Cir No. 1/ 64057/06 dated April 4, 2006, the procedure for Dividend Distribution would be as under:</p> <ol style="list-style-type: none"> 1. Quantum of dividend and the record date will be fixed by the Trustee in their meeting. Dividend so decided shall be paid, subject to availability of distributable surplus. 2. Within one calendar day of decision by the Trustee, the AMC shall issue notice to the public communicating the decision about the dividend including the record date, in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the Mutual Fund is situated. 3. Record date shall be the date, which will be considered for the purpose of determining the eligibility of Unitholders / Beneficial Owners whose names appear in the Register of Unit holders maintained by the Mutual Fund/ statement of beneficial ownership maintained by the Depositories, as applicable, for receiving dividends. The Record Date will be 5 calendar days from the issue of notice. 4. The notice will, in font size 10, bold, categorically state that pursuant to payment of dividend, the NAV of the Scheme would fall to the extent of payout and statutory levy (if applicable). 5. The NAV will be adjusted to the extent of dividend distribution and statutory levy, if any, at the close of business hours on record date. 6. Before the issue of such notice, no communication indicating the probable date of dividend declaration in any manner whatsoever will be issued by Mutual Fund. <p>The requirement of giving notice shall not be applicable for Dividend Options having frequency upto one month.</p>
<p>Allotment</p>	<p>The date of inception of the Scheme(s) is provided under the Section 'New Fund Offer' on Page 48. The Units under the Scheme(s) have been allotted and accordingly, the Account Statements have been issued to the applicants reflecting their investments at the time of NFO.</p> <p>Normally no Unit certificates will be issued. However, if the applicant so desires, the AMC shall issue a non-transferable Unit certificate to the applicant within 5 Business days of the receipt of request for the certificate. Unit certificate if issued must be duly discharged by the Unit holder(s) and surrendered alongwith the request for Redemption / Switch or any other transaction of Units covered therein.</p> <p>All Units will rank pari passu, among Units within the same Option in the Scheme concerned as to assets, earnings and the receipt of dividend distributions, if any, as may be declared by the Trustee.</p>

Who Can Invest

This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.

The following persons (i.e. an indicative list of persons) are eligible and may apply for subscription to the Units of the Scheme(s) provided they are not prohibited by any law/Constitutive documents governing them:

1. Indian Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis;
2. Karta of Hindu Undivided Family (HUF);
3. Minor (as the first and the sole holder only) through a natural guardian (i.e. father or mother, as the case may be) or a court appointed legal guardian. There shall not be any joint accounts with minor as the first or joint holder.
4. Partnership Firms & Limited Liability Partnerships (LLPs);
5. Companies, Bodies Corporate, Public Sector Undertakings, Association of Persons or bodies of individuals and societies registered under the Societies Registration Act, 1860;
6. Banks & Financial Institutions;
7. Mutual Funds registered with SEBI;
8. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private trusts authorised to invest in mutual fund schemes under their trust deeds;
9. Non-resident Indians (NRIs)/Persons of Indian Origin residing abroad (PIO) on repatriation basis or on non-repatriation basis;
10. Provident Funds, Pension Funds, Superannuation Funds and Gratuity Funds may apply for subscription to the Units of **HDFC Gilt Fund**.
11. Foreign Institutional Investors (FIIs) registered with SEBI on repatriation basis;
12. Army, Air Force, Navy and other paramilitary units and bodies created by such institutions;
13. Scientific and Industrial Research Organisations;
14. Multilateral Funding Agencies/Bodies Corporate incorporated outside India with the permission of Government of India/Reserve Bank of India;
15. Other schemes of HDFC Mutual Fund subject to the conditions and limits prescribed by SEBI (MF) Regulations;
16. Trustee, AMC, Sponsor and their associates may subscribe to Units under the Scheme(s);
17. Such other individuals/institutions/body corporate etc., as may be decided by the AMC from time to time, so long as wherever applicable they are in conformity with SEBI (MF) Regulations.

Notes :

1. Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) residing abroad / Foreign Institutional Investors (FIIs) have been granted a general permission by Reserve Bank of India under Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 for investing in / redeeming units of the mutual funds subject to conditions set out in the aforesaid regulations.
2. The Government of Maharashtra has, vide its letter Nos. BPT 1100/168/(39) - XV dated September 28, 2000 and BPT 1100/168/(29) - XV dated January 19, 2001 has declared the Units of HDFC Income Fund as 'Public Securities' under the Bombay Public Trusts Act, 1950. In view of this, the public trusts registered in Maharashtra may invest in HDFC Income Fund. It may however be noted that the government / HDFC Mutual Fund does not offer any guarantee on the returns of HDFC Income Fund and the entire responsibility of the investment in the Units of HDFC Income Fund will rest with the trust and that the trustees of the trust shall invest entirely at their own risk.

	<ol style="list-style-type: none"> 3. Units of HDFC Gilt Fund will also rank as an eligible form of investment to the extent provided under Rule 67(2) of the Income Tax Rules, 1962 for Recognized Provident Funds, Approved Superannuation Funds and Approved Gratuity Funds. 4. In case of application(s) made by Individual Investors under a Power of Attorney, the original Power of Attorney or a certified true copy duly notarised should be submitted. In case of applications made by Non-Individual Investors, the authorized signatories / officials of Non-Individual investors should sign the application under their official designation and as per the authority granted to them under their Constitutive Documents/Board resolutions, etc. A list of specimen signatures of the authorized officials, duly certified / attested should also be attached to the Application Form. The Fund/AMC/Trustees shall deem that the investments made by the Investors are not prohibited by any law/Constitutive documents governing them and they possess the necessary authority to invest/transact. 5. Investors desiring to invest / transact in mutual fund schemes are required to comply with the KYC norms applicable from time to time. Under the KYC norms, Investors are required to provide prescribed documents for establishing their identity and address such as copy of the Memorandum and Articles of Association / bye-laws/trust deed/partnership deed/Certificate of Registration along with the proof of authorization to invest, as applicable, to the KYC Registration Agency (KRA) registered with SEBI. The Fund / AMC / Trustees / other intermediaries will rely on the declarations/affirmations provided by the Investor(s) in the Application/Transaction Form(s) and the documents furnished to the KRA that the Investor(s) is permitted/authorised by the Constitution document/ their Board of Directors etc. to make the investment / transact. Further, the Investor shall be liable to indemnify the Fund / AMC / Trustee / other intermediaries in case of any dispute regarding the eligibility, validity and authorization of the transactions and / or the applicant who has applied on behalf of the Investors. The Fund / AMC / Trustee reserves the right to call for such other information and documents as may be required by it in connection with the investments made by the investor. 6. Returned cheques are liable not to be presented again for collection, and the accompanying application forms are liable to be rejected. In case the returned cheques are presented again, the necessary charges are liable to be debited to the investor. 7. The Trustee, reserves the right to recover from an investor any loss caused to the Schemes on account of dishonour of cheques issued by the investor for purchase of Units of this Scheme(s). 8. Subject to the SEBI (MF) Regulations, any application for Units may be accepted or rejected in the sole and absolute discretion of the Trustee. The Trustee may inter-alia reject any application for the purchase of Units if the application is invalid or incomplete or if the Trustee for any other reason does not believe that it would be in the best interest of the Scheme(s) or its Unitholders to accept such an application.
How to Apply	Please refer to the SAI and Application form for the instructions.
Listing	Being open ended Scheme(s) under which Sale and Redemption of Units will be made on continuous basis by the Mutual Fund (subject to completion of lock-in period, if any), the Units of the Scheme(s) are not proposed to be listed on any stock exchange. However, the Mutual Fund may at its sole discretion list the Units under the Scheme(s) on one or more stock exchange at a later date.

<p>The policy regarding re-issue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.</p>	<p>The number of Units held by the Unit holder under his folio/ Demat Account will stand reduced by the number of Units redeemed. Presently, the AMC does not intend to reissue the repurchased units. However, the Trustee reserves the right to reissue the repurchased units at a later date after issuing adequate public notices and taking approvals, if any, from SEBI.</p>
<p>Restrictions, if any, on the right to freely retain or dispose of units being offered.</p>	<p>The Units of the Scheme(s) are not transferable except Units of the Scheme(s) held in electronic (demat) mode. In view of the same, additions / deletions of names will not be allowed under any folio of the Scheme(s). However, the said provisions will not be applicable in case a person (i.e. a transferee) becomes a holder of the Units by operation of law or upon enforcement of pledge, then the AMC shall, subject to production of such satisfactory evidence and submission of such documents, proceed to effect the transfer, if the intended transferee is otherwise eligible to hold the Units of the Scheme(s).</p> <p>The said provisions in respect of deletion of names will not be applicable in case of death of a Unit holder (in respect of joint holdings) as this is treated as transmission of Units and not transfer.</p> <p>RIGHT TO LIMIT REDEMPTIONS</p> <p>The AMC, may in the general interest of the Unit holders in each Plan(s) / Option(s) of the Scheme(s), keeping in view the unforeseen circumstances / unsure conditions, limit the total number of Units which may be redeemed on any Business Day to 15% (in case of HCMF and HHIF) and 5% (in case of HIF, HSTP, HSTOF, HMTOF, HFRIF, HGILT, HMYF, HMYF'05, HMIP, and HLF) of the total number of Units then in issue under each Plan / Option of the Scheme(s) (or such higher percentage as the AMC may decide in any particular case). In addition, the Trustee reserves the right, in its sole discretion, to limit the redemption with respect to any single account to an amount of ₹ 2 crores (in case of HIF, HSTP, HSTOF, HMTOF, HFRIF, HGILT, HMYF, HMYF'05, HMIP, and HLF) (₹ 5 crore in case of HLF) on any Business Day. Any units which by virtue of these limitations are not Redeemed on a particular Business Day will be carried for Redemption to the next Business Day, in the order of receipt. Redemption so carried forward will be priced on the basis of Redemption Price of the Business Day on which Redemption is made. Under such circumstances, to the extent multiple Redemption requests are received at the same time on a single Business Day, Redemption will be made on a pro-rata basis, based on the size of each Redemption request, the balance amount being carried forward for the Redemption to the next Business Day(s).</p> <p>SUSPENSION OF SALE / REDEMPTION / SWITCHING OPTIONS OF THE UNITS</p> <p>The Mutual Fund at its sole discretion reserves the right to withdraw Sale and / or Redemption or Switching of the Units in the Scheme(s) (including Plan / Option of the Scheme) temporarily or indefinitely, if in the opinion of the AMC the general market conditions are not favourable and / or suitable investment opportunities are not available for deployment of funds.</p> <p>Further, the indicative list of circumstances under which sale and/or redemption or switching of units may temporarily be suspended is as follows:</p> <ol style="list-style-type: none"> 1. When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the Scheme are closed otherwise than for ordinary holidays. 2. When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Scheme are not reasonable, or would not reasonably be practicable without being detrimental to the interests of the Unit holders.

	<ol style="list-style-type: none"> 3. In the event of breakdown in the means of communication used for the valuation of investments of the Scheme, without which the value of the securities of the Scheme cannot be accurately calculated. 4. During periods of extreme volatility of markets, which in the opinion of the AMC are prejudicial to the interests of the Unit holders of the Scheme. 5. In case of natural calamities, war, strikes, riots and bandhs. 6. In the event of any force majeure or disaster that affects the normal functioning of the AMC or the ISC. 7. During the period of Book Closure. 8. If so directed by SEBI. <p>Additionally, the AMC reserves the right in its sole discretion to withdraw the facility of Sale and Switching Option of Units into the Scheme(s) (including any one Plan / Option of the Scheme), temporarily or indefinitely, if AMC views that changing the size of the corpus may prove detrimental to the existing Unit holders of the Scheme(s) or for any other reason deemed fit by the AMC/Trustee.</p> <p>Suspension or restriction of Redemption facility shall be made applicable only after the approval of the Board of Directors of the AMC and the Trustee. The approval from the AMC Board and the Trustee giving details of circumstances and justification for the proposed action shall also be informed to SEBI in advance.</p>
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B. ONGOING OFFER DETAILS

<p>Ongoing Offer Period</p> <p>This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.</p>	<p>The Scheme(s) will offer for Sale / Switch-in and Redemption / Switch-out of Units on every Business Day. Units of the Scheme(s) would be available at Applicable NAV on any Business Day from any of the ISCs.</p> <p>Unit holders have an option to hold the Units in electronic (dematerialized) form. However, this facility is not available in case of units offered under the Daily/ Weekly/Fortnightly Dividend Option(s). Further, Switch facility is also not available for units held in demat form. Units held in demat form will be transferable. Holding / transacting of units held in demat mode shall be in accordance with the procedures / requirements laid down by the Depositories, viz. NSDL/ CDSL in accordance with the provisions under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.</p> <p>SUBSCRIPTION OF UNITS</p> <p>Existing/ New Investors under the Scheme(s) may submit their purchase/switch - in requests as follows:</p> <ol style="list-style-type: none"> 1. Account Statement (non-demat) form: Investors/ existing Unitholders opting for units in account statement (non- demat) form, can submit their valid application for subscription/switch-in at any of the Official Points of Acceptance of HDFC Mutual Fund. 2. Electronic (demat) form: Investors/ existing Unitholders, opting for units in demat form, can submit their valid application for subscription only at any of the Official Points of Acceptance of HDFC Mutual Fund and not to their Depository Participants. Investor opting for units in demat form will be required to mention in the application form DP ID No. and Beneficiary Account No. with the Depository Participant (DP). The Units allotted will be credited to the DP account of the Unit holder as per the details provided in the application form. The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically. <p>Applications by Existing / New Investors under the Scheme(s) must be for the minimum amount(s) as mentioned on Page 61-62. The AMC reserves the right to change the minimum application amount from time to time.</p>
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	<p>Subscriptions on an ongoing basis will be made only by specifying the amount to be invested and not the number of Units to be subscribed. The total number of Units allotted will be determined with reference to the applicable Sale Price and fractional Units may be created. Fractional Units will be computed and accounted for upto three decimal places.</p> <p>REDEMPTION OF UNITS</p> <p>The Units can be Redeemed (i.e. sold back to the Mutual Fund) or Switched-out on every Business Day at the Redemption Price as follows:</p> <ol style="list-style-type: none"> Demat (electronic) form: Unitholders should submit their valid redemption request to their Depository Participant (DP). The redemption proceeds will be credited to the bank account of the Unitholder, as per the bank account details provided by the Depositories. Account Statement (non-demat) form: The Redemption/ Switch-out request can be made by way of a written request on a pre-printed form or Transaction Slip, which should be submitted at / may be sent by mail to any of the ISCs. <p>In case the Units are held in the names of more than one Unit holder, where mode of holding is specified as "Joint", Redemption requests will have to be signed by all the joint holders. However, in cases of holding specified as 'Anyone or Survivor', any of the Unit holders will have the power to make Redemption request, without it being necessary for all the Unit holders to sign. However, in all cases, the Redemption proceeds will be paid only to the first named holder.</p> <p>Units held in Demat form are transferable in accordance with the provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as may be amended from time to time.</p> <p>DEMATERIALIZATION/ REMATERIALIZATION OF UNITS</p> <p>If the Unit holder desires to hold the Units in a Dematerialized/ Rematerialized form at a later date, the request for conversion of units held in Account Statement (non demat) form into Demat (electronic) form or vice versa should be submitted alongwith a Demat/Remat Request Form to their Depository Participants.</p> <p>However the Trustee/ AMC reserves the right to change the dematerialization / rematerialization process in accordance with the procedural requirements laid down by the Depositories, viz. NSDL/ CDSL and/or in accordance with the provisions laid under the Depositories Act, 1996 and the Regulations thereunder.</p>
<p>Ongoing Price for subscription (purchase)/ switch-in (from other schemes/plans of the mutual fund) by investors.</p> <p>This is the price you need to pay for purchase/ switch-in.</p>	<p>The Sale Price will be the Applicable NAV of the Scheme / Plan / Option.</p>
<p>Ongoing Price for redemption (sale)/ switch-outs (to other schemes/plans of the mutual fund) by investors.</p> <p>This is the price you will receive for redemptions / switch-outs</p>	<p>Redemption Price will be calculated on the basis of the loads for different Scheme(s). The Redemption Price per Unit will be calculated using the following formula:</p> <p>Redemption Price = Applicable NAV * (1 - Exit Load, if any)</p> <p>Example : If the Applicable NAV is ₹10 and a 2% Exit Load is charged, the Redemption Price per Unit will be calculated as follows:</p> $= ₹ 10 * (1-0.02)$ $= ₹ 10 * (0.98)$ $= ₹ 9.80$

Cut off timing for subscriptions/redemptions/switches

This is the time before which your application (complete in all respects) should reach the official points of acceptance.

(i) **Applicable to Liquid Schemes / Plans viz. HDFC Liquid Fund, HDFC Liquid Fund - Premium Plan & Premium Plus Plan and HDFC Cash Management Fund - Savings Plan and Call Plan**

1. For Purchases:
 - i) In respect of valid application received upto 2.00 p.m. on a day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the respective Liquid Schemes/Plans before the cut-off time i.e. available for utilization before the cut-off time - the closing NAV of the day immediately preceding the day of receipt of application shall be applicable;
 - ii) In respect of valid application received after 2.00 p.m. on a day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the respective Liquid Schemes/Plans on the same day i.e. available for utilization on the same day - the closing NAV of the day immediately preceding the next Business Day shall be applicable; and
 - iii) Irrespective of the time of receipt of application at the official point(s) of acceptance, where the funds for the entire amount of subscription/purchase as per the application are not credited to the bank account of the respective Liquid Schemes/Plans before the cut-off time i.e. not available for utilization before the cut-off time - the closing NAV of the day immediately preceding the day on which the funds are available for utilization shall be applicable.
2. For Switch-in to Liquid Schemes/Plans from other Schemes of HDFC Mutual Fund:
 - i) Application for switch-in must be received before the applicable cut-off time.
 - ii) Funds for the entire amount of subscription/purchase as per the switch-in request must be credited to the bank account of the respective switch-in liquid schemes before the cut-off time.
 - iii) The funds must be available for utilization before the cut-off time, by the respective switch-in schemes.

(ii) **Applicable to HDFC Income Fund, HDFC High Interest Fund, HDFC High Interest Fund - Short Term Plan, HDFC Short Term Plan, HDFC Short Term Opportunities Fund, HDFC Medium Term Opportunities Fund, HDFC Floating Rate Income Fund, HDFC Gilt Fund, HDFC Multiple Yield Fund, HDFC Multiple Yield Fund - Plan 2005, HDFC MF Monthly Income Plan and HDFC Cash Management Fund - Treasury Advantage Plan:**

- **Applications for amount less than ₹ 1 crore**
 - (i) **For Purchases including switch-ins:**
 - In respect of valid applications received upto 3.00 p.m. by the Fund along with a local cheque or a demand draft payable at par at the official point(s) of acceptance where the application is received, the closing NAV of the day on which application is received shall be applicable.
 - In respect of valid applications received after 3.00 p.m. by the Fund along with a local cheque or a demand draft payable at par at the official point(s) of acceptance where the application is received, the closing NAV of the next Business Day shall be applicable

- However, in respect of valid applications, with outstation cheques / demand drafts not payable at par at the official point(s) of acceptance where the application is received, closing NAV of the day on which the cheque / demand draft is credited shall be applicable.

• **Applications for amount equal to or greater than ₹ 1 crore**

(i) For Purchases:

- In respect of valid application received for an amount equal to or more than ₹ 1 crore upto 3.00 p.m. at the official point(s) of acceptance and funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the Scheme before the cut-off time i.e. available for utilization before the cut-off time- the closing NAV of the day shall be applicable;
- In respect of valid application received for an amount equal to or more than ₹ 1 crore after 3.00 p.m. at the official point(s) of acceptance and funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the respective Scheme before the cut-off time of the next Business Day i.e. available for utilization before the cut-off time of the next Business Day - the closing NAV of the next Business Day shall be applicable.
- Irrespective of the time of receipt of application for an amount equal to or more than ₹ 1 crore at the official point(s) of acceptance, where funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the respective Plans under the Scheme before the cut-off time on any subsequent Business Day i.e. available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day shall be applicable.

(ii) For Switch-ins:

For determining the applicable NAV, the following shall be ensured:

- Application for switch-in is received before the applicable cut-off time.
- Funds for the entire amount of subscription/purchase as per the switch-in request are credited to the bank account of the Scheme before the cut-off time.
- The funds are available for utilization before the cut-off time.

All multiple applications for investment (at the first holder's PAN level) in a particular scheme (irrespective of the plan/option/sub-option) received on the same Business Day, will be aggregated to ascertain whether the total amount equals to ₹ 1 crore or more and to determine the applicable Net Asset Value.

For Redemptions including switch-outs

- In respect of valid applications received upto 3 p.m. on a Business Day by the Fund, same day's closing NAV shall be applicable.
- In respect of valid applications received after 3 p.m. on a Business Day by the Fund, the closing NAV of the next Business Day shall be applicable.

	<p>Transactions through online facilities / electronic modes:</p> <p>The time of transaction done through various online facilities / electronic modes offered by the AMC, for the purpose of determining the applicability of NAV, would be the time when the request for purchase / sale / switch of units is received in the servers of AMC/RTA.</p> <p>The AMC has the right to amend cut off timings subject to SEBI (MF) Regulations for the smooth and efficient functioning of the Scheme(s).</p>
Where can the applications for purchase/ redemption / switches be submitted?	<p>The application forms for subscription/ redemption/switches should be submitted at / may be sent by mail to, any of the ISCs / Official Points of Acceptance whose names and addresses are mentioned on Page 93-98 of the SID.</p> <p>For details on updated list of ISCs / Official Points of Acceptance investors are requested to call 1800 233 6767 or contact the AMC branches or log on to our website www.hdfcfund.com</p>
Minimum amount for purchase/ redemption/switches	<p>Minimum amount for Purchase (including Switch-in):</p> <p>(i) HDFC Income Fund, HDFC High Interest Fund, HDFC High Interest Fund - Short Term Plan, HDFC Short Term Opportunities Fund, HDFC Medium Term Opportunities Fund, HDFC Short Term Plan, HDFC Gilt Fund, HDFC Multiple Yield Fund and HDFC Multiple Yield Fund - Plan 2005 (under each Plan / Option) Purchase : ₹ 5,000 and any amount thereafter. Additional Purchase: ₹ 1,000 and any amount thereafter.</p> <p>(ii) HDFC Floating Rate Income Fund Short Term Plan Retail Option Growth Option, Weekly Dividend Option and Monthly Dividend Option Purchase : ₹ 5,000 and any amount thereafter. Additional Purchase: ₹ 1,000 and any amount thereafter.</p> <p>Daily Dividend Option Purchase : ₹ 10,000 and any amount thereafter. Additional Purchase: ₹ 5,000 and any amount thereafter.</p> <p>Wholesale Option (Under each Option) Purchase : ₹ 10 lakhs and any amount thereafter. Additional Purchase: ₹ 1 and any amount thereafter.</p> <p>Long Term Plan (Under each Option) Purchase : ₹ 5,000 and any amount thereafter. Additional Purchase: ₹ 1,000 and any amount thereafter.</p> <p>(iii) HDFC Liquid Fund HLF - Purchase : ₹ 10,000 and any amount thereafter. Additional Purchase: ₹ 5,000 and any amount thereafter.</p> <p>HLF - Premium Plan - Purchase: ₹ 5 crore and any amount thereafter. HLF - Premium Plus Plan - Purchase: ₹ 20 crore and any amount thereafter.</p>

	<p>HLF - Premium Plan & Premium Plus Plan - Additional Purchase: ₹ 1 and any amount thereafter.</p> <p>(iv) HDFC Cash Management Fund Savings Plan and Call Plan: (Under each Option) Purchase : ₹ 10,000 and any amount thereafter. Additional Purchase: ₹ 5,000 and any amount thereafter.</p> <p>Treasury Advantage Plan - Retail Option Growth, Weekly and Monthly Dividend Option Purchase : ₹ 5,000 and any amount thereafter. Additional Purchase: ₹ 1,000 and any amount thereafter.</p> <p>Daily Dividend Option Purchase : ₹ 10,000 and any amount thereafter. Additional Purchase: ₹ 5,000 and any amount thereafter.</p> <p>Treasury Advantage Plan - Wholesale Option (Under each Option) Purchase : ₹ 1 crore and any amount thereafter. Additional Purchase: ₹ 1 and any amount thereafter.</p> <p>(v) HDFC MF Monthly Income Plan Short Term Plan Growth & Quarterly Dividend Option Purchase: ₹ 5,000 and any amount thereafter under each Option. Additional Purchase: ₹ 1,000 and any amount thereafter.</p> <p>Monthly Dividend Option Purchase: ₹ 25,000 and any amount thereafter. Additional Purchase: ₹ 1,000 and any amount thereafter.</p> <p>Long Term Plan Growth & Quarterly Dividend Option Purchase: ₹ 5,000 and any amount thereafter under each Option. Additional Purchase: ₹ 1,000 and any amount thereafter.</p> <p>Monthly Dividend Option: Purchase: ₹ 25,000 and any amount thereafter. Additional Purchase: ₹ 1,000 and any amount thereafter.</p> <p>Minimum Amount / Units For Redemption (including Switch-out):</p> <p>The Redemption / Switch-out would be permitted to the extent of credit balance in the Unit holder's account of the Plan(s) / Option(s) of the Scheme(s). The Redemption / Switch-out request can be made by specifying the rupee amount or by specifying the number of Units of the respective Plan(s) / Option(s) to be Redeemed. If a Redemption / Switch-out request is for both, a specified rupee amount and a specified number of Units of the respective Plan(s) / Option(s), the specified number of Units will be considered the definitive request. If only the Redemption / Switch-out amount is specified by the Unit holder, the AMC will divide the Redemption / Switch-out amount so specified by the Redemption Price to arrive at the number of Units. The request for Redemption / Switch-out of Units could also be in fractions, upto three decimal places. Redemption / Switch-out request</p>
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can be made for a minimum amount as mentioned in table below :			
Particulars	HDFC Income Fund, HDFC High Interest Fund, HDFC High Interest Fund - Short Term Plan, HDFC Short Term Plan, HDFC Gilt Fund, HDFC Short Term Opportunities Fund, HDFC Medium Term Opportunities Fund, HDFC Multiple Yield Fund and HDFC Multiple Yield Fund - Plan 2005 (under each Plan / Option)	HDFC MF Monthly Income Plan (under each Plan / Option)	HDFC Floating Income Rate Fund
Redemption / Switch-out	₹ 500 or 50 Units	₹ 1,000 or 100 Units	Short Term Plan: Retail Option Growth Option, Weekly Dividend Option and Monthly Dividend Option ₹ 1,000 or 100 Units Daily Dividend Option ₹ 5,000 or 500 Units Wholesale Option (Under each Option) ₹ 50,000 or 5,000 Units Long Term Plan: (Under each Option) ₹ 500 or 50 Units
Particulars	HDFC Liquid Fund	HDFC Cash Management Fund	
Redemption / Switch-out	HLF ₹ 5,000 or 500 Units Premium Plan - Growth Option ₹ 5,000 or 500 Units Premium Plan - Dividend Option ₹ 50,000 or 5,000 Units Premium Plus Plan - Growth Option ₹ 5,000 or 500 Units Premium Plus Plan - Dividend Option ₹ 50,000 or 5,000 Units	Savings Plan & Call Plan (Under each Option) ₹ 5,000 or 500 Units Treasury Advantage Plan - Retail Option Growth, Weekly and Monthly Dividend Option ₹ 1,000 or 100 Units Daily Dividend Option ₹ 5,000 or 500 Units Treasury Advantage Plan - Wholesale Option (Under each Option) ₹ 50,000 or 5,000 Units	
The minimum amount of Redemption / Switch-out may be changed in future by the AMC.			
Minimum balance to be maintained and consequences of non-maintenance.		Investors may note that in case balance in the account of the Unit holder of the Plan(s) / Option(s) of the Scheme(s) does not cover the amount of Redemption request, then the Mutual Fund is authorised to close the account of the Unit holder and send the entire such (lesser) balance to the Unit holder. Closure of Unit Holders' Account Investors may note that the AMC at its sole discretion may close a Unit holder's account under a Plan / Option of the Scheme(s) after giving notice of 30 days, if at the time of any part Redemption, the value of balance Units (represented by the	

	Units in the Unit holder's account if such Redemption / Switch were to take place, valued at the applicable Redemption Price), falls below minimum amount / units for Redemption as mentioned on Page 62-63 (or such other amount as the AMC may decide from time to time) or where the Units are held by a Unit holder in breach of any Regulation.																																				
Special Products available	<p>SYSTEMATIC INVESTMENT PLAN (SIP)</p> <p>The Unit holders under the eligible Scheme(s) can benefit by investing specified Rupee amounts at regular intervals for a continuous period. Under the SIP, Investors can invest a fixed amount of Rupees at regular intervals for purchasing additional Units of the Scheme(s) at Applicable NAV. This concept is called Rupee Cost Averaging.</p> <p>Unit holder can enroll for the SIP facility by submitting duly completed Enrolment Form at the Official Point(s) of Acceptance. It may be noted that new investors can apply for SIP without any existing investment/folio.</p> <p>Presently, SIP offers investors two plans viz. 'Monthly Systematic Investment Plan (MSIP)' and 'Quarterly Systematic Investment Plan (QSIP)'. Minimum amount per SIP installment is ₹ 500 and in multiples of ₹ 100 thereafter under MSIP and ₹ 1,500 and in multiples of ₹ 100 thereafter under QSIP. Minimum amount for HDFC Long Term Advantage Fund* and HDFC TaxSaver* per SIP installment is ₹ 500 and in multiples of ₹ 500 thereafter under MSIP and ₹ 1,500 and in multiples of ₹ 500 thereafter under QSIP.</p> <p>Additionally, investors may avail for SIP Top-up facility wherein those who have enrolled for SIP, have an option to increase the amount of the SIP Installment by a fixed amount at pre-defined intervals. This will enhance the flexibility of the investor to invest higher amounts during the tenure of the SIP. SIP Top-up facility shall be available for SIP Investments through ECS (Debit Clearing) / Direct Debit Facility/Standing Instruction only. The Top-up amount should be in multiples of ₹ 500 only. Monthly SIP offers top-up frequency at half yearly and yearly intervals. Quarterly SIP offers top-up frequency at yearly intervals only. In case the top-up frequency is not indicated under Monthly SIP, it will be considered as yearly interval.</p> <p>An Illustration: How to calculate the SIP Top-up amount?</p> <p>SIP Period : 01-Jan-2011 to 01-Dec-2012 (2 Years)</p> <p>Scheme Name : HDFC Income Fund</p> <p>Monthly SIP Installment Amount : ₹ 2,000</p> <p>SIP Date : 1st of every month (24 installments)</p> <p>Top-up Amount: ₹ 1,000 Top-up Frequency: Half Yearly</p> <p>SIP Installments shall be as follows:</p> <table><tr><th>Installment No(s).</th><th>From Date</th><th>To Date</th><th>Monthly SIP Installment Amount in B</th><th>SIP Top-up Amount in B</th><th>Increased Monthly SIP Installment Amount in B</th></tr><tr><td></td><td></td><td></td><td>(A)</td><td>(B)</td><td>(A + B)</td></tr><tr><td>1 to 6</td><td>1-Jan-11</td><td>1-Jun-11</td><td>2,000</td><td>N.A.</td><td>2,000</td></tr><tr><td>7 to 12</td><td>1-Jul-11</td><td>1-Dec-11</td><td>2,000</td><td>1,000</td><td>3,000</td></tr><tr><td>13 to 18</td><td>1-Jan-12</td><td>1-Jun-12</td><td>3,000</td><td>1,000</td><td>4,000</td></tr><tr><td>19 to 24</td><td>1-Jul-12</td><td>1-Dec-12</td><td>4,000</td><td>1,000</td><td>5,000</td></tr></table> <p>N.A. - Not Applicable</p> <p>Note: Monthly SIP Installment Amount increases by Top-up amount ₹ 1,000 at half-yearly intervals.</p> <ul style="list-style-type: none">■ Minimum number of installments under MSIP :❖ For Schemes other than HDFC TaxSaver* and HDFC Long Term Advantage Fund*:<ul style="list-style-type: none">● In respect of each SIP Installment less than ₹ 1,000/- in value: 12	Installment No(s).	From Date	To Date	Monthly SIP Installment Amount in B	SIP Top-up Amount in B	Increased Monthly SIP Installment Amount in B				(A)	(B)	(A + B)	1 to 6	1-Jan-11	1-Jun-11	2,000	N.A.	2,000	7 to 12	1-Jul-11	1-Dec-11	2,000	1,000	3,000	13 to 18	1-Jan-12	1-Jun-12	3,000	1,000	4,000	19 to 24	1-Jul-12	1-Dec-12	4,000	1,000	5,000
Installment No(s).	From Date	To Date	Monthly SIP Installment Amount in B	SIP Top-up Amount in B	Increased Monthly SIP Installment Amount in B																																
			(A)	(B)	(A + B)																																
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7 to 12	1-Jul-11	1-Dec-11	2,000	1,000	3,000																																
13 to 18	1-Jan-12	1-Jun-12	3,000	1,000	4,000																																
19 to 24	1-Jul-12	1-Dec-12	4,000	1,000	5,000																																

- In respect of each SIP Installment equal to or greater than ₹ 1,000/- in value: 6
- ❖ For HDFC TaxSaver* and HDFC Long Term Advantage Fund* : 6
- Minimum number of installments under QSIP :
- ❖ For Schemes other than HDFC TaxSaver* and HDFC Long Term Advantage Fund*:
 - In respect of each SIP Installment less than ₹ 3,000/- in value: 4
 - In respect of each SIP Installment equal to or greater than ₹ 3,000/- in value: 2
- ❖ For HDFC TaxSaver* and HDFC Long Term Advantage Fund* : 2

**an open-ended equity linked savings scheme with a lock-in period of 3 years.*

There is no maximum duration for SIP enrolment. However, for SIP registration requests received on/after April 1, 2011, the Mutual Fund/AMC will register SIP in the folio held by a minor only till the date of the minor attaining majority, even though the instructions may be for a period beyond that date. The SIP facility will automatically stand terminated upon the Unit Holder attaining 18 years of age.

For SIPs registered prior to April 1, 2011, the AMC/Mutual Fund shall continue to process the existing SIP as registered beyond the date of the minor attaining major status till instruction from the major to terminate the SIP is received by the AMC/Mutual Fund along with the prescribed documents for change of account status from minor to major, if not submitted earlier.

For folios where the units are held on behalf of the minor, the account shall be frozen for operation by the guardian on the day the minor attains majority and no transactions shall be permitted till the requisite documents for changing the status of the account from 'minor' to 'major' are submitted.

Investors can invest under this facility at periodic intervals by providing post-dated cheques to Official Point(s) of Acceptance. An investor is eligible to issue only one cheque for each month/quarter in the same SIP enrolment form. All SIP cheques under MSIP and QSIP should be of the same amount and same date.

However, first cheques could be of any date but all subsequent cheques should be dated 1st, 5th, 10th, 15th, 20th or 25th. The first cheque and subsequent cheque should not fall in the same month in case of MSIP and in the same quarter in case of QSIP. The cheques should be drawn in favour of respective Scheme(s) e.g. **"HDFC Income Fund A/c PAN"** or **"HDFC Income Fund A/c Investor Name"**; in case of **HDFC Index Fund** the name of specific Plan should also be mentioned and crossed **"A/c Payee only"**.

On receipt of the post dated cheques, the Fund will send a letter to the Unit holder confirming that the Unit holder's name has been noted for the SIP facility. The cheques will be presented on the dates mentioned on the cheque and subject to realization of the cheque, Units will be allotted at the Applicable NAV. In case the date falls on a holiday or falls during a Book Closure period, the immediate next Business Day will be considered for this purpose.

Investors investing through SIP facility, have an option to hold the Units in dematerialized form (except for units offered under the Daily/ Weekly/Fortnightly Dividend Options). The units will be allotted in demat form based on the Applicable NAV and will be credited to investor's Demat Account on weekly basis on realisation of funds. For e.g. Units will be credited to investor's Demat account every Monday on the basis of realization status received during the last week (Monday to Friday).

Investors / Unit holders may also enroll for SIP Auto Debit facility through Electronic Clearing Service (Debit Clearing) of the Reserve Bank of India or for SIP Direct Debit Facility / Standing Instruction Facility available with specified Banks / Branches. In order to enroll for SIP Auto Debit facility or Direct Debit Facility or Standing Instruction, an investor must fill-up

the SIP Enrolment Form (for investment through Auto Debit / ECS / Standing Instructions).

Investors will have the right to discontinue the SIP facility at any time by sending a written request to any of the Official Point(s) of Acceptance. Notice of such discontinuance should be received at least 15 days prior to the due date of the next installment. On receipt of such request, the SIP facility will be terminated and the balance post-dated cheque/s will be returned to the Investor.

Exit Load, if any, prevailing on the date of enrolment shall be levied in the Scheme.

Transactions Charges shall be deducted from SIP installments, if applicable. For further details, refer to the section 'Transaction Charges' on **Page 88**.

The AMC / Trustee reserves the right to change / modify load structure and other terms and conditions under the SIP prospectively at a future date.

Please refer to the SIP Enrolment Form for terms & conditions before enrolment.

MICRO SYSTEMATIC INVESTMENT PLAN ("MICRO SIP")

Investors may enroll with the Mutual Fund for Micro SIPs subject to adherence with the following:

Systematic Investment Plans (SIPs) where aggregate of installments in a rolling 12 month period or in a financial year i.e. April to March does not exceed ₹ 50,000 (hereinafter referred as "Micro SIP") shall be exempt from the requirement of PAN on submission of a photocopy of any one of the Photo Identification document.

This exemption will be applicable only to investments by individuals [including Joint Holders who are individuals, NRIs but not Person of Indian Origin (PIO)], Minors and Sole proprietary firms, who do not have a PAN. Hindu Undivided Family (HUF) and other categories will not be eligible for the exemption.

The investor will have to submit the Proof of Address alongwith the photo identification documents to enable AMCs/RTAs to carry out KYC of the investor.

Eligible Investors (including joint holders) should submit a photocopy of any one of the (current and valid) Photo Identification documents as proof of identification and the Proof of Address [self-attested by the investor / attested by the ARN Holder/AMFI registered Distributor mentioning the ARN number] along with Micro SIP applications. The list of acceptable Photo Identification documents and proof of address documents is given in the Micro SIP Enrolment Form.

Investors who wish to enroll for Micro SIP are required to fill in the Micro SIP Enrolment Form available with the ISCs, distributors/agents and also displayed on the website www.hdfcfund.com

All terms and conditions (including load structure and Transaction Charges) of Systematic Investment Plans (SIPs) (except SIP Top-up facility) shall apply to Micro SIPs.

The Trustee reserves the right to change/modify the terms and conditions of Micro SIPs at a later date on a prospective basis.

Please refer to the Micro SIP Enrolment Form for terms & conditions before enrolment.

GROUP SYSTEMATIC INVESTMENT PLAN (GSIP)

GSIP means the Systematic Investment Plan for participation by the Employee of the Corporate to subscribe to the Units of the various Schemes launched from time to time.

GSIP offers investors Monthly Systematic Investment Plan (MSIP).

There is no maximum duration for GSIP enrolment.

Under GSIP Corporate can only select the GSIP date. All GSIP cheques must be dated 1st, 5th, 10th, 15th, 20th or 25th of a month. All GSIP cheques should be of the same date. The GSIP date selected from the abovementioned dates by the Corporate cannot be changed. The cheques should be drawn in favour of "HDFC Mutual Fund-Corporate Name", and crossed "A/c Payee Only". The Corporate must write the 'Corporate Code Number ('CCN')' on the reverse of the cheque(s). For details Mode of Payment, please refer to Terms and Conditions

of GSIP as mentioned in the Application cum Group Systematic Investment Plan (GSIP) Enrolment Form.

Investors investing through GSIP facility, have an option to hold the Units in dematerialized form (except for units offered under the Daily/ Weekly/Fortnightly Dividend Options). The units will be allotted in demat form based on the Applicable NAV and will be credited to investor's Demat Account on weekly basis on realisation of funds. For e.g. Units will be credited to investor's Demat account every Monday on the basis of realization status received during the last week (Monday to Friday).

Exit Load, if any, prevailing on the date of enrolment shall be levied in the Scheme.

Transactions Charges shall be deducted from SIP installments, if applicable. For further details, refer to the section 'Transaction Charges' on Page 88.

The AMC / Trustee reserve the right to change / modify load structure and other terms and conditions under the GSIP prospectively at a future date.

For further details on GSIP, please refer to Application cum GSIP Enrolment Form.

FACILITY TO PURCHASE / REDEEM UNITS OF THE SCHEME(S) THROUGH STOCK EXCHANGE(S).

A Unitholder may purchase / redeem units of eligible schemes through the Stock Exchange infrastructure.

This facility i.e. purchase / redemption of units will be available to both existing and new investors. The investors will be eligible to only purchase / redeem units of the eligible schemes. The list of eligible schemes is subject to change from time to time. Switching of units is not permitted. Investors have an option to hold the units in physical or dematerialized form. In order to facilitate transactions in mutual fund units through the stock exchange infrastructure, BSE has introduced BSE StAR MF Platform and NSE has introduced Mutual Fund Service System (MFSS). All trading members of BSE & NSE who are registered with AMFI as Mutual Fund Advisors and who have signed up with HDFC Asset Management Company Limited and also registered with BSE & NSE as Participants ("AMFI certified stock exchange brokers" or "Brokers") will be eligible to offer this facility to investors. Additionally, the units of the Scheme are permitted to be transacted through Clearing Members of the registered Stock Exchanges. Further, the Depository Participants of registered Depositories are permitted to process only redemption request of units held in demat form.

The units of eligible Schemes are not listed on BSE & NSE and the same cannot be traded on the Stock Exchange. The window for purchase/redemption of units on BSE & NSE will be available between 9 a.m. and 3 p.m. or such other timings as may be decided. Investors who are interested in transacting in eligible scheme(s) should register themselves with Brokers/Clearing Members/Depository Participants.

The eligible AMFI certified stock exchange Brokers/Clearing Members/Depository Participants who have complied with the conditions stipulated in SEBI Circular No. SEBI /IMD / CIR No.11/183204/2009 dated November 13, 2009 for stock brokers viz. AMFI /NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund will be considered as Official Points of Acceptance (OPA) of the Mutual Fund.

Investors will be able to purchase/redeem units in eligible schemes in the following manner:

i. Purchase of Units:

a. Physical Form

- The investor who chooses the physical mode is required to submit all requisite documents along with the purchase application (subject to applicable limits prescribed by BSE/NSE) to the Brokers or Clearing Members.
- The Broker/Clearing member shall verify the application for mandatory details and KYC compliance.

- After completion of the verification, the purchase order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor.
- The investor will transfer the funds to the Brokers/ Clearing Members.
- Allotment details will be provided by the Brokers/ Clearing Members to the investor.

b. Dematerialized Form

- The investors who intend to deal in depository mode are required to have a demat account with CDSL/ NSDL.
- The investor who chooses the depository mode is required to place an order for purchase of units (subject to applicable limits prescribed by BSE/NSE) with the Brokers or Clearing Members.
- The investor should provide their depository account details to the Brokers/ Clearing Members.
- The purchase order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor.
- The investor will transfer the funds to the Brokers/ Clearing Members.
- Investors shall receive the units through Broker/ Clearing Member's pool account. The AMC/ Mutual Fund shall credit the units into Broker/ Clearing Member's pool account and Broker/ Clearing Member in turn shall credit the units to the respective investor's demat account.
- Such credit of units by the AMC/ Mutual Fund to the Broker / Clearing Member's pool account shall discharge AMC/ Mutual Fund of its obligation of allotment of units to the individual investor.
- Allotment details will be provided by the Brokers/ Clearing Members to the investor.

ii. Redemption of Units:

a. Physical Form

► Routed through Brokers/Clearing Members

- The investor who chooses the physical mode is required to submit all requisite documents along with the redemption application (subject to applicable limits prescribed by BSE/NSE) to the Brokers or Clearing Members.
- The redemption order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor.
- The redemption proceeds will be credited to the bank account of the investor, as per the bank account details recorded with the Mutual Fund.

b. Dematerialized Form

► Routed through Brokers/Clearing Members

- The investors who intend to deal in Depository mode are required to have a demat account with CDSL/ NSDL and units converted from physical mode to demat mode prior to placing of redemption order.
- The investor who chooses the depository mode is required to place an order for redemption (subject to applicable limits prescribed by BSE/NSE) with the Brokers or Clearing Members.
- The investors should provide their Depository Participant with Depository Instruction Slip with relevant units to be credited to Clearing Corporation pool account.
- The redemption order will be entered in the system and an order confirmation slip will be issued to investor.
- Investors shall receive redemption amount through Broker/ Clearing Member's account. The AMC/ Mutual Fund shall pay proceeds to the Broker/ Clearing Member and Broker/ Clearing Member in turn to the respective investor's account.

- Such payment of redemption proceeds by the AMC/ Mutual Fund to the Broker / Clearing Member shall discharge the AMC/ Mutual Fund of its obligation of payment to the individual investor.
- ▶ **Routed Through Depository Participants**
- The investors who intend to deal in Depository mode are required to have units in the demat account maintained with CDSL/ NSDL prior to placing of redemption order with their Depository Participant.
- The investors should provide their Depository Participant with Depository Instruction Slip with relevant Scheme ISIN and units to be redeemed.
- The redemption proceeds will be credited to the bank account of the investor, as per the bank account details recorded with the Depository Participant.

Unitholders are requested to note that request for conversion of units held in Account Statement (non-demat) form into Demat (electronic) form or vice versa should be submitted alongwith a Demat/Remat Request Form to their Depository Participants.

Applications for purchase/redemption of units which are incomplete /invalid are liable to be rejected. Separate folios will be allotted for units held in physical and demat mode. The applicability of NAV will be subject to guidelines issued by SEBI on Uniform cut-off timings for applicability of NAV of Mutual Fund Scheme(s)/Plan(s). In case of non-financial requests/ applications such as change of address, change of bank details, etc. investors should approach Investor Service Centres (ISCs) of HDFC Mutual Fund if units are held in physical mode and the respective Depository Participant(s) if units are held in demat mode. An account statement will be issued by HDFC Mutual Fund to investors who purchase/ redeem their units under this facility in physical mode. In case of investors who intend to deal in units in depository mode, a demat statement will be sent by Depository Participant showing the credit/debit of units to their account.

Investors will have to comply with Know Your Customer (KYC) norms as prescribed by BSE/NSE/CDSL/ NSDL and the Mutual Fund to participate in this facility. Investors should contact the Investor Service Centres (ISCs) of HDFC Mutual Fund for further details.

The facility to transact units through the stock exchange infrastructure shall be in accordance with SEBI Circular No. SEBI /IMD / CIR No.11/183204/ 2009 dated November 13, 2009 and No. CIR/IMD/DF/17/2010 dated November 9, 2010 as amended from time to time as also in accordance with the procedures and guidelines issued by the respective Stock Exchanges and the Depositories from time to time.

The Trustee reserves the right to change/modify the features of this facility at a later date.

SYSTEMATIC TRANSFER PLAN (STP)

A Unit holder holding units in non-demat form may enroll for the Systematic Transfer Plan and choose to Switch on a daily, weekly, monthly or quarterly basis from one HDFC Mutual Fund scheme to another scheme, which is available for investment at that time. The provision of "Minimum Redemption Amount" of the designated Transferor Scheme(s) and "Minimum Application Amount" of the designated Transferee Scheme(s) shall not be applicable to STP.

The amount thus switched shall be converted into Units on the scheduled date and such number of Units will be subtracted from the Unit balance of the Transferor Scheme. In case these dates fall on a Holiday or fall during a Book Closure period, the next Business Day will be considered for this purpose. The amount so switched shall be reinvested in the Transferee scheme / plan.

Presently STP offers investor two plans viz. Fixed Systematic Transfer Plan (FSTP) with daily, weekly, monthly and quarterly frequency and Capital Appreciation Systematic Transfer Plan (CASTP) with monthly and quarterly frequency.

The minimum number of installments under each Plan are as

follows.

Under Daily FSTP:

- where installment amount is less than ₹ 1,000/- : 12
- where installment amount is equal to or greater than ₹ 1,000/- : 6

Under Weekly FSTP, Monthly FSTP & Monthly CASTP:

- Minimum 6 installments;

Under Quarterly FSTP & Quarterly CASTP:

- Minimum 2 installments

Further, the minimum balance in the Unit holders account or the minimum amount of application at the time of enrolment for STP in the Transferor Scheme should be ₹12,000.

There will be no maximum duration for STP enrolment. However, for STP registration requests received on/after April 1, 2011, the Mutual Fund/AMC will register STP in the folio held by a minor only till the date of the minor attaining majority, even though the instructions may be for a period beyond that date. The STP facility will automatically stand terminated upon the Unit Holder attaining 18 years of age.

For STPs registered prior to April 1, 2011, the AMC/Mutual Fund shall continue to process the existing STP as registered beyond the date of the minor attaining major status till instruction from the major to terminate the STP is received by the AMC/Mutual Fund along with the prescribed documents for change of account status from minor to major, if not submitted earlier.

For folios where the units are held on behalf of the minor, the account shall be frozen for operation by the guardian on the day the minor attains majority and no transactions shall be permitted till the requisite documents for changing the status of the account from 'minor' to 'major' are submitted.

The amount transferred under the STP from the Transferor Scheme to the Transferee Scheme shall be effected by redeeming units of Transferor Scheme at Applicable NAV, **after payment of Exit Load, if any**, and subscribing to the units of the Transferee Scheme at Applicable NAV in respect of each STP investment. In case the STP date falls on a Non-Business Day or falls during a book closure period, the immediate next Business Day will be considered for the purpose of determining the applicability of NAV.

Unit holders may change the amount (but not below the specified minimum) by giving written notice to any of the Official Point(s) of Acceptance. Unit holders will have the right to discontinue the STP facility at any time by sending a written request to the Official Point(s) of Acceptance. Notice of such discontinuance should be received at least 10 days prior to the due date of the next transfer date. On receipt of such request, the STP facility will be terminated. STP will be terminated automatically if all the Units are liquidated or withdrawn from the Transferor Scheme or pledged or upon the Fund's receipt of notification of death or incapacity of the Unit holder.

Exit Load, if any, prevailing on the date of enrolment shall be levied in the Transferee Scheme.

The AMC / Trustee reserve the right to change / modify load structure and other terms and conditions under the STP prospectively at a future date.

Please refer to the STP Enrolment Form for terms and conditions before enrolment.

HDFC FLEX SYSTEMATIC TRANSFER PLAN

HDFC Flex Systematic Transfer Plan (Flex STP) is a facility wherein unit holder(s) holding units in non-demat form of designated open-ended Scheme(s) of HDFC Mutual Fund can opt to transfer variable amount(s) linked to value of investments under Flex STP on the date of transfer at pre-determined intervals from designated open-ended Scheme(s) of HDFC Mutual Fund (hereinafter referred to as "**Transferor Scheme**") to the **growth option** of designated open-ended Scheme(s) of HDFC Mutual Fund (hereinafter referred to as "**Transferee Scheme**"). Flex STP offers transfer facility at daily, weekly, monthly and quarterly intervals. Unitholder is free to choose the frequency of such transfers. The amount to be transferred under Flex STP from Transferor Scheme to Transferee Scheme

shall be calculated as follows:

{fixed amount to be transferred per installment or the amount as determined by the following **formula** [(fixed amount to be transferred per installment X number of installments including the current installment) - market value of the investments through Flex STP in the Transferee Scheme on the date of transfer] **whichever is higher**}.

There should be a minimum of 12 installments where installment amount is less than ₹ 1,000/- and a minimum of 6 installments where installment amount is equal to or greater than ₹ 1,000/- under Flex STP - Daily Interval. There should be a minimum of 6 installments for enrolment under Flex STP - Weekly & Monthly Interval and 2 installments under Flex STP - Quarterly Interval. Also, the minimum unit holder's account balance or a minimum amount of application at the time of Flex STP enrolment in the Transferor Scheme should be ₹ 12,000.

In case the amount to be transferred is not available in the Transferor Scheme in the unit holder's account, the residual amount will be transferred to the Transferee Scheme and Flex STP will be closed.

The total Flex STP amount invested in the Transferee Scheme shall not exceed the total enrollment amount i.e. amount per installment X number of installments.

The amount transferred under the Flex STP from the Transferor Scheme to the Transferee Scheme shall be effected by redeeming units of Transferor Scheme at Applicable NAV, **after payment of Exit Load, if any**, and subscribing to the units of the Transferee Scheme at Applicable NAV in respect of each Flex STP investment.

Exit Load, if any, prevailing on the date of enrolment shall be levied in the Transferee Scheme.

Unitholders who wish to enroll for this facility are required to fill HDFC Flex STP Enrolment Form available with the ISCs, distributors/agents and also displayed on the website www.hdfcfund.com.

The AMC / Trustee reserve the right to change / modify load structure and other terms and conditions under the HDFC Flex STP prospectively at a future date.

Please refer to the HDFC Flex STP Enrolment Form for terms & conditions before enrolment.

HDFC SWING SYSTEMATIC TRANSFER PLAN

HDFC Swing Systematic Transfer Plan (Swing STP) is a facility wherein unit holder(s) holding units in non-demat form can opt to transfer an amount at regular intervals from designated open-ended Scheme(s) of HDFC Mutual Fund ("**Transferor Scheme**") to the **Growth Option** of designated open-ended Scheme(s) of HDFC Mutual Fund ("**Transferee Scheme**") including a feature of Reverse Transfer from Transferee Scheme into the Transferor Scheme, in order to achieve the Target Market Value on each transfer date in the Transferee Scheme. Swing STP offers transfer facility at weekly, monthly and quarterly intervals.

The minimum amount per Swing STP installment shall be as follows:

- Swing STP - Weekly & Monthly Interval: ₹ 1,000 and any amount thereafter.
- Swing STP - Quarterly Interval: ₹ 3,000 and any amount thereafter.

There should be a minimum of 6 installments for enrolment under Weekly and Monthly Swing STP and 2 installments for Quarterly Swing STP. Beginning of quarter could be any month. There is no maximum duration for Swing STP enrollment. However, the Mutual Fund/ AMC will register Swing STP in the folio held by a minor only till the date of the minor attaining majority, even though the instructions may be for a period beyond that date. The Swing STP facility will automatically stand terminated upon the Unit Holder attaining 18 years of age.

Also, the minimum unit holder's account balance or a minimum amount of application at the time of Swing STP enrolment in the Transferor Scheme should be ₹ 12,000.

The provision of 'Minimum Redemption Amount' as specified in the Scheme Information Document(s) of the respective designated Transferor Scheme(s) (Transferee Scheme(s) in case of Reverse Transfer) and 'Minimum Application Amount' specified in the Scheme Information Document(s) of the respective designated Transferee Scheme(s) (Transferor Scheme(s) in case of Reverse Transfer) will not be applicable for Swing STP.

The objective of Swing STP is to achieve the Total Target Market Value in the Transferee Scheme by transferring an amount from the Transferor Scheme at regular intervals in such a way so as to increase the Target Market Value of units in the Transferee Scheme systematically by a fixed amount (i.e. the first installment amount specified by the Unitholder) on the date of each transfer till the tenure of the Swing STP.

The amount to be transferred under Swing STP from Transferor Scheme to Transferee Scheme shall be calculated as follows:

- The first Swing STP installment will be processed for the first installment amount specified by the Unitholder at the time of enrollment.
- From the second Swing STP installment onwards, the transfer amount may be higher/lower than the first installment amount, as derived by the formula stated below:

(First installment amount X Number of installments including the current installment) - Market Value of the investments through Swing STP in the Transferee Scheme on the date of transfer.

In case the amounts (as specified above) to be transferred are not available in the Transferor Scheme in the unit holder's account, the residual amount will be transferred to the Transferee Scheme and Swing STP will be closed.

Reverse Transfer: On the date of transfer, if the Market Value of the investments in the Transferee Scheme through Swing STP is higher than the first installment amount X number of installments (including the current installment), then a Reverse Transfer will be effected from the Transferee Scheme to the Transferor Scheme to the extent of the difference in the amount, in order to arrive at the Target Market Value.

The total amount invested through Swing STP over its tenure in the Transferee Scheme, may be higher or lower than the Total Target Market Value of the investment (i.e. the first installment amount X total number of installments specified by the Unitholder). This may be on account of fluctuations in the Market Value of the Transferee Scheme. **If you decide to take up this facility, you should be aware of the possibility, that the total amount invested through Swing STP could be higher or lower than the Total Target Market Value of the investment.**

The redemption/ switch-out of units allotted in the Transferee Scheme shall be processed on First In First Out (FIFO) basis. **In case there is a redemption/ switch-out of any units allotted under Swing STP in the Transferee Scheme by the Unit holder, the balance installments under Swing STP will be processed as a normal STP** for the remaining installments by investing the amount indicated as first installment amount, on the date of each transfer over the balance tenure of the Swing STP, subject to availability of unit balance in the Transferor Scheme.

Swing STP will be automatically terminated if all units are liquidated or withdrawn from the Transferor Scheme or pledged or upon receipt of intimation of death of the unit holder.

Unit holders will have the right to discontinue the Swing STP facility at any time by sending a written request to the ISC. On receipt of such request, the Swing STP facility will be terminated within 15 days.

The amount transferred under the Swing STP from the Transferor Scheme to the Transferee Scheme shall be effected by redeeming units of Transferor Scheme at the Applicable NAV, **after payment of Exit Load, if any**, and subscribing to the units of the Transferee Scheme at Applicable NAV.

Exit Load, if any, prevailing on the date of enrollment shall be levied in the Transferee Scheme and Transferor Scheme (for units purchased through Reverse Transfer).

Unit holders who wish to enroll for this facility are required to fill HDFC Swing STP Enrolment Form available with the ISCs, distributors/agents and also displayed on the website www.hdfcfund.com.

The AMC / Trustee reserve the right to change / modify load structure and other terms and conditions under the HDFC Swing STP prospectively at a future date.

Please refer to the HDFC Swing STP Enrolment Form for further details and terms & conditions before enrolment.

DIVIDEND TRANSFER PLAN FACILITY

Dividend Transfer Plan (DTP) is a facility wherein unit holder(s) of "Source Scheme(s)" of HDFC Mutual Fund can opt to automatically invest the dividend (as reduced by the amount of applicable statutory levy) declared by the eligible Source Scheme(s) into the "Target Scheme(s)" of HDFC Mutual Fund. DTP facility will be available to unit holder(s) holding units in non-demat form under the Dividend Option of the Source Scheme(s). However, the DTP facility will not be available to unit holder(s) under the Daily Dividend Option in the Source Scheme(s). Unit holder(s)' enrolment under the DTP facility will automatically override any previous instructions for 'Dividend Payout' or 'Dividend Reinvestment' facility in the Source Scheme. For updated list of eligible Source Scheme(s) and Target Scheme(s) the Unit holder is advised to contact nearest Investor Service Centre (ISC) of HDFC Mutual or the distributor or visit our website www.hdfcfund.com.

The dividend amount to be invested under the DTP from the Source Scheme to the Target Scheme shall automatically be invested by subscribing to the units of the Target Scheme on the immediate next Business Day after the Record Date at the applicable NAV of the Target Scheme.

No Exit Load will be levied on units allotted in the Target Scheme under the Dividend Transfer Plan.

The AMC / Trustee reserve the right to change/ modify the terms and conditions of the DTP on a prospective basis.

Please refer to DTP Enrolment Form for terms and conditions before enrolment.

SYSTEMATIC WITHDRAWAL ADVANTAGE PLAN (SWAP)

This facility, available to the Unit holders of the Scheme holding units in non-demat form, enables them to withdraw (subject to deduction of tax at source, if any) fixed sum (Fixed Plan) or a variable amount (Variable Plan) from their Unit accounts at periodic intervals (**subject to completion of lock-in period, if any**). Fixed Plan is available for Growth as well as Dividend Option and Variable Plan is available for Growth Option only for eligible Scheme(s)/Plan(s) under SWAP facility. Unitholder(s) who opt for Fixed Plan under systematic withdrawal from each Scheme/ Plan have an option of Monthly, Quarterly, Half-Yearly and Yearly intervals and Unitholder(s) who opt for Variable Plan under systematic withdrawal from each Scheme/Plan have an option of Quarterly, Half-Yearly and Yearly intervals. Any Unit holder can avail of this facility subject to the terms and conditions contained in the SWAP Enrolment Form. The amount withdrawn (subject to deduction of tax at source, if any) under SWAP by Redemption shall be converted into the specific Scheme / Plan Units at the NAV based prices as on 1st, 5th, 10th, 15th, 20th, 25th of month/quarter/ year and such Units will be subtracted from the Unit Balance of the Unit holders. If the net asset value of the Units outstanding on the withdrawal date is insufficient to process the withdrawal request, then the Mutual Fund will redeem the Units outstanding in its entirety. In respect of amount withdrawn under SWAP, the Exit Load, if any, applicable to the Scheme/Plan as on the date of allotment of units shall be levied. **Investors may note that if you decide to take up Fixed Plan under SWAP facility, you should be aware of the possibility that you could erode your capital.**

For SWAP registration requests received on/after April 1, 2011, the Mutual Fund/AMC will register SWAP in the folio held by a minor only till the date of the minor attaining majority, even though the instructions may be for a period beyond that date. The SWAP facility will automatically stand terminated upon the Unit Holder attaining 18 years of age.

For SWAP registered prior to April 1, 2011, the AMC/Mutual Fund shall continue to process the existing SWAP as registered beyond the date of the minor attaining major status till instruction from the major to terminate the SWAP is received by the AMC/Mutual Fund along with the prescribed documents for change of account status from minor to major, if not submitted earlier.

For folios where the units are held on behalf of the minor, the account shall be frozen for operation by the guardian on the day the minor attains majority and no transactions shall be permitted till the requisite documents for changing the status of the account from 'minor' to 'major' are submitted.

Investors can enroll themselves for the facility by submitting the duly completed SWAP Enrolment Form at any of the ISCs.

The AMC / Trustee reserve the right to change / modify load structure and other terms and conditions under the SWAP prospectively at a future date.

SWAP facility is available subject to terms & conditions. Please refer to the SWAP Enrolment Form for terms & conditions before enrolment.

AUTOMATIC TRIGGER FACILITY

Under this facility, a Unit holder holding units in non-demat form may opt for withdrawal and / or switch based on the Unit balance attaining a minimum capital appreciation / gains, events, dates etc (subject to deduction of tax at source, if any). The Units will be redeemed as and when the balance reaches a desired value or after certain period of time etc. In case of triggers linked with events / dates, on realisation of gains, a specified amount / full amount / gains / appreciation etc. would be redeemed and paid either on the investment attaining a particular value or after a particular period of time. Unit holders can enroll themselves for the facility by filling in the appropriate box in the Application Form or by subsequently making a written request to the ISC.

Please read the instructions on the Application Form for further details.

HDFC FLEXINDEX PLAN

This facility is available to Unit holders holding units in non-demat form of select debt/ liquid Schemes to automatically transfer the specified percentage of the amount registered in the Source schemes to select equity schemes on the trigger dates occurring during the period of 1 year from the date of registration. Any Unit holder can avail of this facility subject to terms and conditions contained in the HDFC FLEXINDEX PLAN form.

Presently, Unit holders under the Plan are offered twin enrolment options viz. Flexible Installment option and Fixed Installment option. The minimum Unit holder's account balance or a minimum amount of investment in the Source scheme at the time of enrolment under the Plan should be ₹20,000/- and in multiples of ₹1,000/- thereafter. However, the Unit holder has to comply with the provision of Minimum Application Amount in the Source Schemes. The Unit holders of the Source schemes have to set triggers based on the predetermined event. For the purpose of this Plan, Predetermined event means the reaching or crossing of closing Index (i.e. BSE SENSEX) levels as specified by the Unit holder.

Under Flexible Installment option the minimum percentage to be indicated against each Index level trigger is 10% and in multiples of 1% thereafter and under Fixed Installment option the percentage indicated against each Index level trigger is fixed at 25%. The cumulative percentage under each option will be equal to 100.

On the trigger date, the specified percentage of the amount registered will be transferred in the Target Scheme **after payment of exit load, if any** by creation of units in the Target Scheme at the closing NAV of the same day i.e. the trigger date.

Exit Load, if any, prevailing on the date of enrolment shall be levied in the Target Scheme.

Once a transaction is processed, the same will not be reversed and it will be final and binding upon the Unit holder. The AMC will require atleast 7 calendar days from the date of submission

of valid enrolment forms to register the Unit holder under the Plan.

For all predetermined events the amount registered under the Plan shall be computed based on the value of the unit balance in the Source scheme, prevailing on the respective trigger dates. The transactions will be processed by the Fund only after verifying that the registered amount on each trigger date is equal to or more than the percentage value of the flexible / fixed trigger options (as indicated by the Unit holders). In case the value of the unit balance in the Source scheme on the trigger date is less than the percentage value of the flexible/ fixed trigger options or the balance is nil, then the said trigger will not be processed.

In case the date of redemption request and the trigger date coincide i.e. the date of receipt of redemption request from the Unit holder in the Source scheme and the date of event trigger date happens to be the same date, then, the redemption transaction will always be processed first. In case there is an all unit redemption and Unit balance in the Source scheme is reduced to Nil even then the Plan will continue for a period of 1 year from the date of registration.

On completion of 1 year from the date of registration, in case Nil Triggers or few Triggers are activated, then the balance of the amount registered under the Plan will be automatically transferred into the Target scheme in 6 equal monthly installments on 1st of every month (or immediately following business day, if that day is not a business day), provided the balance amount is not less than the minimum amount of transfer per installment under Systematic Transfer Plan (STP) of the respective Target schemes. Load Structure as prevailing under STP will be applicable and the transfers will be subject to STP terms and conditions. In case, the balance amount registered under the Plan falls below the minimum amount of transfer per installment under STP, the same shall continue to remain invested in the Source scheme.

The provision of 'Minimum Redemption Amount' as specified in the Scheme Information Document(s) of the Source schemes will not be applicable for HDFC FLEXINDEX PLAN. Whereas, the provision of 'Minimum Application Amount' specified in the Scheme Information Document(s) of the Target schemes will be applicable for HDFC FLEXINDEX PLAN.

Investors who wish to enroll for the Plan are required to fill the HDFC FLEXINDEX PLAN enrolment form available with the ISCs, distributors/agents and also displayed on the website www.hdfcfund.com. The Enrolment Form complete in all respects should be submitted at any of the Investor Service Centres (ISCs) of HDFC Mutual Fund.

Unit holders will have the right to discontinue the Plan at any time by sending a written request to the ISC. Notice of such discontinuance shall be made effective within 7 calendar days from the date of receipt of the said request. Triggers, which may get activated until the effective date of discontinuation shall be processed in accordance with the terms, laid hereinabove.

The Trustee reserves the right to change the terms and conditions of the Plan at a later date on a prospective basis.

Please refer to the HDFC Flexindex Plan Enrolment Form for terms and conditions before enrolment.

SWITCHING OPTIONS

Unit holders under the Scheme(s) holding units in non-demat form have the option to Switch part or all of their Unit holdings in the Scheme(s) to another scheme(s) established by the Mutual Fund, or within the Scheme(s) from one plan / option to another plan / option (**subject to completion of lock-in period, if any**) which is available for investment at that time. This Option will be useful to Unit holders who wish to alter the allocation of their investment among the scheme(s) / plan(s) / option(s) of the Mutual Fund in order to meet their changed investment needs.

The Switch will be effected by way of a Redemption of Units from the Scheme / Plan and a reinvestment of the Redemption proceeds in the other scheme / plan and accordingly, to be effective, the Switch must comply with the Redemption rules of the Scheme and the issue rules of the other scheme (e.g. as

to the minimum number of Units that may be redeemed or issued, Exit / Entry Load etc). The price at which the Units will be Switched out of the Scheme(s) will be based on the Redemption Price, and the proceeds will be invested in the other scheme / plan at the prevailing sale price for units in that scheme / plan. **No Loads shall be imposed for switching between Plans / Options within the Scheme (except HDFC Floating Rate Income Fund, HDFC Gilt Fund, HDFC MF Monthly Income Plan and HDFC Cash Management Fund).**

No Loads shall be imposed for switching between the options within the respective Plans of HDFC Floating Rate Income Fund, HDFC Gilt Fund, HDFC MF Monthly Income Plan and HDFC Cash Management Fund.

The Switch request can be made on a pre-printed form or by Transaction Slip which should be submitted at / may be sent by mail to any of the ISCs. The AMC retains the right to charge different Loads on Switching of Units as compared to Sale / Redemption of Units as the case may be.

The AMC reserves the right to impose Loads for Switching between plans within the Scheme or Options within the respective Plans at a future date.

TRANSACTIONS THROUGH "CHANNEL DISTRIBUTORS"

Investors may enter into an agreement with certain distributors (with whom AMC also has a tie up) referred to as "Channel Distributors" who provide the facility to investors to transact in units of mutual funds through various modes such as their website / other electronic means or through Power of Attorney in favour of the Channel Distributor, as the case may be.

Under such arrangement, the Channel Distributors will aggregate the details of transactions (viz. subscriptions/redemptions/switches) of their various investors and forward the same electronically to the AMC / RTA for processing on daily basis as per the cut-off timings applicable to the relevant schemes.

The Channel Distributor is required to send copy of investors' KYC and agreement entered into between the investor & distributor to the RTA (one time for central record keeping) as also the transaction documents / proof of transaction authorization as the case may be, to the AMC / RTA as per agreed timelines. In case KYC and other necessary documents are not furnished within the stipulated timeline, the transaction request, shall be liable to be rejected.

Normally, the subscription proceeds, when invested through this mode, are by way of direct credits to the specified bank account of the Fund. The Redemption proceeds (subject to deduction of tax at source, if any) and dividend payouts, if any, are paid by the AMC to the investor directly through direct credit in the specified bank account of the investor or through issuance of payment instrument, as applicable.

It may be noted that investors investing through this mode may also approach the AMC / ISC directly with their transaction requests (financial / non-financial) or avail of the online transaction facilities offered by the AMC.

The Mutual Fund, the AMC, the Trustee, along with their directors, employees and representatives shall not be liable for any errors, damages or losses arising out of or in connection with the transactions undertaken by investors / distributors through above mode.

ELECTRONIC SERVICES

The **eServices** facility includes **HDFCMFOnline**, **HDFCMFInvestOnline**, **HDFCMFMobile**, **eDocs**, **eAlerts** and **ePayouts**.

HDFCMFOnline

This facility enables investors to transact online on www.hdfcfund.com using **HDFCMFOnline**. On **HDFCMFOnline**, Unitholders can execute transactions online for purchase*, redemption, switch and also register for Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP) of units of schemes of HDFC Mutual Fund and other services as may be introduced by HDFC Mutual Fund from time to time. Unitholders can also view account details and portfolio valuation online, download account statements and request for documents via email, besides other options.

*facility available with select banks and subject to submission of Permanent Account Number (PAN) and Know Your Customer (KYC) compliance proof.

HDFCFMInvestOnline

This facility enables existing Unitholders not having a HDFC Personal Identification Number (HPIN) to transact online on the Fund's website www.hdfcfund.com using **HDFCFMInvestOnline**. Unitholders can execute purchase transactions or register for Systematic Investment Plan and avail such other services as may be introduced by the Fund from time to time.

Unitholders must possess a Folio Number (KYC validated), valid PAN, Bank Account Number registered in the folio and Net banking facility with any of the select banks to avail the **HDFCFMInvestOnline** facility.

HDFCFMMobile

This facility enables investors to transact on their mobile handsets. On **HDFCFMMobile**, Unitholders can execute transactions on their mobile phone for purchase*, redemption or switching of units of schemes of HDFC Mutual Fund and other services as may be introduced by HDFC Mutual Fund from time to time. Unitholders can also view account details and portfolio valuation on their mobile phone, request for account statements, besides other options.

* Payment arrangement for purchase of units is available at present with HDFC Bank only. Please visit our website from time to time for an updated list of banks. You also need to have opted for the mobile-banking facility with your Bank. The transaction limits as specified by your bank shall be applicable.

eDocs

If the investor has provided an email address, the same will be registered in our records for **eDocs**. Thus, Allotment confirmations, Consolidated Account Statement/Account Statement, annual report/abridged summary and any statutory/ other information as permitted would be sent by email. These documents shall be sent physically in case the Unit holder opts/ request for the same.

Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. It is deemed that the Unit holder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties.

The AMC / Fund reserve the right to send any communication in physical mode.

eAlerts

This facility enables the Unit holder to receive SMS confirmation for purchase, redeem or switch, dividend declaration details and other alerts.

Apart from above mentioned facilities, the facility of **ePayouts** comprising of mode of payment of Redemption / Dividend Proceeds if any, via Direct Credit / NEFT / ECS is covered under **eServices** facility for further details, please refer eServices booklet available to all Investor Service Centres (ISCs) as well as on our website on www.hdfcfund.com.

SUBSCRIPTION OF UNITS THROUGH ELECTRONIC MODE

Subject to the investor fulfilling certain terms and conditions (as applicable) as stipulated by AMC from time to time, the AMC, Mutual Fund, Registrar or any other agent or representative of the AMC, Mutual Fund, the Registrar ("Recipient") may accept transactions through any electronic mode ("fax / web / electronic transactions").

The acceptance of the fax / web / electronic transactions will be solely at the risk of the transmitter of the fax / web / electronic transactions and the Recipient shall not in any way be liable or responsible for any loss, damage caused to the transmitter directly or indirectly, as a result of the transmitter sending or purporting to send such transactions including where a fax / web / electronic transactions sent / purported to be sent is not processed on account of the fact that it was not received by the Recipient.

	<p>The transmitter acknowledges that fax/web/electronic transactions is not a secure means of giving instructions / transactions requests and that the transmitter is aware of the risks involved including those arising out of such transmission being inaccurate, imperfect, ineffective, illegible, having a lack of quality or clarity, garbled, altered, distorted, not timely etc.</p> <p>The transmitter's request to the Recipient to act on any fax / web / electronic transmission is for the transmitter's convenience and the Recipient is not obliged or bound to act on the same.</p> <p>The transmitter authorizes the Recipient to accept and act on any fax / web / electronic transmission which the Recipient believes in good faith to be given by the transmitter and the Recipient shall be entitled to treat any such fax / web / electronic transaction as if the same was given to the Recipient under the transmitter's original signature.</p> <p>In case there is any difference between the particulars mentioned in the fax/ web/ electronic transmission received as against the original document which may be received thereafter, the Recipient shall not be liable for any consequences arising therefrom.</p> <p>The transmitter agrees that security procedures adopted by the Recipient may include signature verification, telephone call backs or a combination of the same, which may be recorded by tape recording device and the transmitter consents to such recording and agrees to co-operate with the Recipient to enable confirmation of such fax/web/ electronic transaction requests.</p> <p>The transmitter accepts that the fax / web / electronic transactions shall not be considered until time stamped (as applicable) as a valid transaction request in the Scheme(s) in line with SEBI (MF) Regulations.</p> <p>In consideration of the Recipient from time to time accepting and at its sole discretion (including but not limited to the AMC extending / discontinuing such facilities from time to time) acting on any fax / web / electronic transaction request received / purporting to be received from the transmitter, the transmitter agrees to indemnify and keep indemnified the AMC, Directors, employees, agents, representatives of the AMC, Mutual Fund and Trustees from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on fax / web / electronic transaction requests including relying upon such fax / electronic transaction requests purporting to come from the Transmitter even though it may not come from the Transmitter.</p> <p>The AMC reserves the right to modify the terms and conditions or to discontinue the facility at any point of time. On availing this facility, transmitter will unequivocally be bound by what is stated above.</p>
Account Statements	<p>APPLICABLE TO INVESTORS WHO OPT TO HOLD UNITS IN NON-DEMAT FORM</p> <ul style="list-style-type: none"> • The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 Business Days of receipt of valid application/transaction to the Unit holders registered e-mail address and/or mobile number. • A consolidated account statement for each calendar month to the Unit holder(s) in whose folio(s) transaction(s) has/ have taken place during the month on or before 10th of the succeeding month shall be sent by mail or e-mail. • In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/ account statement. • The transactions viz. purchase, redemption, switch, dividend payout, etc., carried out by the Unit holders shall be reflected in the CAS on the basis of Permanent Account Number (PAN).

	<ul style="list-style-type: none"> • The CAS shall not be received by the Unit holders for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN. • For folios not included in the CAS (due to non-availability of PAN), the AMC shall issue monthly account statement to such Unit holder(s), for any financial transaction undertaken during the month on or before 10th of succeeding month by mail or email. • The Unit holder may request for a physical account statement by writing to/calling the AMC/ISC/RTA. The Mutual Fund/ AMC shall despatch an account statement within 5 Business Days from the date of the receipt of request from the Unit holder. <p>Half Yearly Consolidated Account Statement:</p> <ul style="list-style-type: none"> • A consolidated account statement detailing holding across all schemes at the end of every six months (i.e. September/ March), on or before 10th day of succeeding month, to all such Unitholders holding units in non- demat form in whose folios no transaction has taken place during that period shall be sent by mail/email. • The half yearly consolidated account statement will be sent by e-mail to the Unit holders whose e-mail address is registered with the Fund, unless a specific request is made to receive in physical. <p>APPLICABLE TO INVESTORS WHO OPT TO HOLD UNITS IN DEMAT FORM</p> <p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 Business Days of receipt of valid application/transaction to the Unit holders registered e-mail address and/or mobile number.</p> <p>The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically.</p> <p>COMMUNICATION BY EMAIL</p> <p>For those Unit holders who have provided an e-mail address, the AMC will send the communication by email. Unit holders will be required to download and print the documents after receiving e-mail from the Mutual Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. It is deemed that the Unit holder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties.</p>
<p>Dividend</p>	<ul style="list-style-type: none"> • The dividend warrants shall be despatched to the Unit holders within 30 days of the date of declaration of dividend. In the event of failure of despatch of dividend within the stipulated 30 day period, the AMC shall be liable to pay interest @ 15% per annum to the unit holders. • In case of Unit holders having a bank account with certain banks with whom the Mutual Fund would have an arrangement from time to time, the dividend proceeds shall be directly credited to their account. • The dividend will be paid by warrant and payments will be made in favour of the Unit holder (registered holder of the Units or, if there is more than one registered holder, only to the first registered holder) with bank account number furnished to the Mutual Fund (please note that it is mandatory for the Unit holders to provide the Bank account details as per the directives of SEBI). • Further, the dividend proceeds may be paid by way of ECS /EFT / NEFT / RTGS / any other manner through which the investor's bank account specified in the Registrar & Transfer Agent's records is credited with the dividend proceeds as per the instructions of the Unit holders.

Redemption

Payment of Redemption Proceeds

- (a) For Unit holders having a bank account with HDFC Bank Limited or such other banks with whom the AMC would have an arrangement from time to time:

In case of Unit holders having a bank account with certain banks with whom the Mutual Fund would have an arrangement from time to time, the redemption proceeds shall be directly credited to their account. As per SEBI (MF) Regulations, the Mutual Fund shall despatch Redemption proceeds within 10 Business Days of the date of Redemption. However, under normal circumstances, the Mutual Fund would endeavor to credit the first / sole Unit holder's account with the Redemption proceeds within 3-4 Business Days (1 Business Day in case of HDFC Cash Management Fund - Savings Plan and Call Plan and HDFC Liquid Fund) from the date of Redemption.

- (b) For other Unit holders not covered by (a) above and Unit holders covered by (a) but have given specific request for Cheque/Demand Draft :

Redemption proceeds will be paid by cheque and payments will be made in favour of the Unit holder (registered holder of the Units or, if there is more than one registered holder, only to the first registered holder) with bank account number furnished to the Mutual Fund (**please note that it is mandatory for the Unit holders to provide the Bank account details as per the directives of SEBI**). Redemption cheques will be sent to the Unit holders address (or, if there is more than one holder on record, the address of the first-named Unit holder). All Redemption payments will be made in favour of the registered holder of the Units or, if there is more than one registered holder, only to the first registered holder.

As per SEBI (MF) Regulations, the Mutual Fund shall despatch Redemption proceeds within 10 Business Days of the Redemption date. A penal interest of 15% or such other rate as may be prescribed by SEBI from time to time, will be paid in case the Redemption proceeds are not made within 10 Business Days (1 Business Day in case of HDFC Cash Management Fund - Savings Plan and Call Plan and HDFC Liquid Fund) of the Redemption Date.

However, under normal circumstances, the Mutual Fund would endeavor to despatch the Redemption cheque within 3-4 Business Days from the date of redemption.

On an ongoing basis, when existing and new investors make subscriptions, a lien on Units allotted will be created, and such Units shall not be available for redemption until the payment proceeds are realised by the Scheme. In case a Unit holder redeems Unit holder redeems Units soon after making purchases, the redemption cheque will not be despatched until sufficient time has elapsed to provide reasonable assurance that cheque(s) or draft(s) for Units purchased have been cleared.

In case the cheque / draft is dishonoured by the bank, the transaction shall be reversed and the Units allotted earlier shall be cancelled, and a fresh Account Statement shall be despatched to the Unit holder.

Further, the redemption proceeds may be paid by way of ECS/ EFT / NEFT / RTGS / any other manner through which the investor's bank account specified in the Registrar & Transfer Agent's records is credited with the redemption proceeds as per the instructions of the Unit holders.

For units held in demat form

Unit holders should submit their valid redemption request to their Depository Participant (DP). The redemption proceeds will be credited to the bank account of the Unit holder, as per the bank account details provided by the Depositories.

REDEMPTION BY NRIs / FIIs

Credit balances in the account of an NRI / FII Unit holder, may be redeemed by such Unit holder in accordance with the procedure described in SID and subject to any procedures laid down by the RBI, if any.

Payment to NRI / FII Unit holders will be subject to the relevant laws / guidelines of the RBI as are applicable from time to time

(also subject to deduction of tax at source as applicable).

In the case of NRIs

Payment of redemption proceeds shall be:

- (i) Credited to the NRI investor's NRO account, where the payment for the purchase of the Units redeemed was made out of funds held in NRO account or
- (ii) Remitted abroad or at the NRI investor's option, credited to his NRE / FCNR / NRO account, where the Units were purchased on repatriation basis and the payment for the purchase of Units redeemed was made by inward remittance through normal banking channels or out of funds held in NRE / FCNR account.

In the case of FIIs

The Fund will credit the net amount of redemption proceeds of such Units to the foreign currency account or Non-Resident Rupee Account of the FII investor.

BANK DETAILS

In order to protect the interest of Unit holders from fraudulent encashment of redemption / dividend cheques, SEBI has made it mandatory for investors to provide their bank details viz. name of bank, branch, address, account type and number, etc. to the Mutual Fund. Payment will be made only in the Bank Account registered with the Mutual Fund. Applications without complete bank details shall be rejected. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques / warrants and / or any delay / loss in transit.

In case Unit holder has not provided the bank details at the time of making investment (pertains to the period when bank details were not mandatory), redemption requests should be submitted along with the following documents:

1. Any one of the following documents:
 - 1.1. Cancelled original cheque leaf (where first Unit holder name and bank account number printed on the face of the cheque). Unit holders should without fail cancel the cheque and write 'Cancelled' on the face of it to prevent any possible misuse;
 - 1.2. Self attested copy of the bank pass book or a statement of bank account with current entries not older than 3 months having the name and address of the first unit holder and account number;
 - 1.3. Letter from the bank on its letterhead certifying that the Unit holder maintains/ maintained an account with the bank, the bank account information like bank account number, bank branch, account type, the MICR code of the branch & IFSC Code (where available) and specimen signature of the Unit holder.

and
2. Self attested copy of any one of the documents admissible as Proof of Identity (PoI) as may be prescribed by SEBI from time to time.

Note: The above documents shall be submitted in Original. If copies are furnished, the same must be submitted at the Investor Service Centres of AMC (ISCs) where they will be verified with the original documents to the satisfaction of the Fund. The originals documents will be returned across the counter to the Unit holder after due verification. In case the original of any document is not produced for verification, then the copies should be attested by the bank manager with his / her full signature, name, employee code, bank seal and contact number.

In case of folios held on behalf of minors, when a minor attains the age of majority, the documents pertaining to the major investor's bank details registration must be submitted to the Fund.

● Multiple Bank Accounts Registration

The AMC/ Mutual Fund provides a facility to the investors to register multiple bank accounts (currently upto 5 for Individuals and 10 for Non - Individuals) for receiving redemption/ dividend proceeds etc. by providing necessary documents. Investors

must specify any one account as the "Default Bank Account". The investor, may however, specify any other registered bank account for credit of redemption proceeds at the time of requesting for redemption.

Investors holding units in non-demat form are requested to avail the facility of registering multiple bank accounts by filling in the 'Multiple Bank Accounts Registration Form' available at our Investor Service Centres (ISCs) or on our website www.hdfcfund.com.

● **Change in Bank Account**

For investors holding units in demat mode, the procedure for change in bank details would be as determined by the depository participant.

For investors holding units in non-demat mode, the Unit holders may change their bank details registered with the Mutual Fund by submitting 'Multiple Bank Account Registration Form' or a standalone separate Change of Bank Details Form.

In case a 'Change of Bank Details Form' is submitted, the following procedure needs to be adhered to:

1. Unit holders will be required to submit the duly filled in Change of Bank Details Form along with a cancelled original cheque leaf of the new bank account as well as the bank account currently registered with the Mutual Fund (where the account number and first unit holder name is printed on the face of the cheque). Unit holders should without fail cancel the cheque and write 'Cancelled' on the face of it to prevent any possible misuse.
2. Where such name is not printed on the original cheque, the Unit holder may submit a letter from the bank on its letterhead certifying that the Unit holder maintains/ maintained an account with the bank, the bank account information like bank account number, bank branch, account type, the MICR code of the branch & IFSC Code (where available).
3. In case of non-availability of any of these documents, a self attested copy of the bank pass book or a statement of bank account with current entries not older than 3 months having the name and address of the first unit holder and account number.

Note: The above documents shall be submitted in Original. If copies are furnished, the same must be submitted at the ISCs where they will be verified with the original documents to the satisfaction of the Fund. The originals documents will be returned across the counter to the Unit holder after due verification. In case the original of any document is not produced for verification, then the copies should be attested by the bank manager with his / her full signature, name, employee code, bank seal and contact number.

In the event of a request for change in bank account information being invalid / incomplete / not satisfactory in respect of signature mismatch/document insufficiency/ not meeting any requirements more specifically as indicated in clauses 1-3 above, the request for such change will not be processed. Redemptions / dividend payments, if any, will be processed and the last registered bank account information will be used for such payments to Unit holders.

Unit holders may note that it is desirable to submit their requests for change in bank details atleast 7 days prior to date of redemption / dividend payment, if any and ensure that the request for change in bank details has been processed before submitting the redemption request. If change in bank details has not been processed, payment will be made in the existing bank account registered in the folio. Further, in the event of a request for redemption of units being received within seven days of change in bank account details, the normal processing time as specified in the Scheme Information Document, may not necessarily apply, however it shall be within the regulatory limits. Any unregistered bank account or a new bank account mentioned by the Unit holder along with the redemption request may not be considered for payment of redemption /dividend proceeds.

	<p>Change of Address</p> <ol style="list-style-type: none"> 1) For investors holding units in demat mode, the procedure for change in address would be as determined by the depository participant. 2) For investors holding units in non-demat mode, the procedure as detailed below shall be applicable. Unit holder will be required to submit a valid request for change in address details along with the following supporting documents: <ul style="list-style-type: none"> ► KYC Not Complied Folios/Clients: <ul style="list-style-type: none"> • Self attested copy of Proof of New Address; and • Self attested copy of PAN card copy, if PAN is updated in the folio or PAN/other proof of identity as may be prescribed by SEBI from time to time, if PAN is not updated in the folio. ► KYC Complied Folios/Clients: <ul style="list-style-type: none"> • Self attested copy of Proof of New Address; and • Any other document/form that the KYC Registration Agency (KRA) may specify from time to time. <p>The above documents will be forwarded to KRA for updation in their record.</p> <p>Note: The above documents shall be submitted in Original. If copies are furnished, the same must be submitted at the ISCs where they will be verified with the original documents to the satisfaction of the Fund. The originals documents will be returned across the counter to the Unit holder after due verification. In case the original of any document is not produced for verification, then the copies should be properly attested / verified by entities authorized for attesting/verification of the documents as per extant KYC guidelines.</p> <p>Unit holders are advised to provide their contact details like telephone numbers, mobile numbers and email IDs to HDFC Mutual Fund in writing.</p> <p>The AMC / Trustee reserves the right to amend the aforesaid requirements.</p> <p>Payment to Alternate Payee</p> <p>The Mutual Fund may subject to compliance with such requirement as it deems fit and necessary may stipulate, arrange to issue redemption and / or any distribution cheques in favour of an alternate payee on Unitholder(s) specific request either at the time of investment and /or at the time of redemption or any distribution. Reasonable procedures will need to be followed to assure that instructions from Unitholders regarding payment to Alternate Payee are genuine. The Unitholder(s) would be liable for the loss resulting from a fraudulent encashment / payment to Alternate Payee, based on the Unitholders instructions, that the Mutual Fund reasonably believed as genuine. The Mutual Fund, reserves the right to require an indemnity or verification countersigned by a Bank Manager, Notary Public, Magistrate or any other party acceptable to it before accepting such instructions. All payments and settlements made to such Alternate Payee(s) and a receipt thereof shall be a valid discharge by the Mutual Fund and the Mutual Fund shall not in any manner liable to the Unitholder. It may be noted that there is no commitment from the Mutual Fund that this facility will be available to the Unitholders.</p>
<p>Delay in payment of redemption / repurchase proceeds</p>	<p>The AMC shall be liable to pay interest to the Unit holders at 15% or such other rate as may be prescribed by SEBI from time to time, in case the redemption / repurchase proceeds are not made within 10 Business Days of the date of Redemption / repurchase. However, the AMC will not be liable to pay any interest or compensation or any amount otherwise, in case the AMC / Trustee is required to obtain from the investor / unitholders verification of identity or such other details relating to subscription for Units under any applicable law or as may be requested by a regulatory body or any government authority, which may result in delay in processing the application.</p>

C. PERIODIC DISCLOSURES

<p>Net Asset Value</p> <p>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>The AMC will calculate and disclose the NAV of the Scheme(s) at the close of every Business Day. In case of Liquid Scheme(s)/Plan(s) viz. HDFC Cash Management Fund - Savings Plan and Call Plan and HDFC Liquid Fund, the AMC will calculate the NAVs all year around. Information regarding NAV can be obtained by the Unit holders / Investors by calling or visiting the nearest ISC.</p> <p>The NAVs of the Scheme(s) shall be published atleast in two daily newspapers on a daily basis in accordance with SEBI (MF) Regulations, NAVs will also be displayed on the Website of the Mutual Fund on www.hdfcfund.com.</p> <p>AMC shall update the NAVs on the website of Association of Mutual Funds in India - AMFI (www.amfiindia.com) by 9.00 p.m. every Business day. In case of any delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before commencement of business hours on the following day due to any reason, Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs.</p> <p>The Sale and Redemption price of Units shall be published in two daily newspapers on a daily basis in accordance with SEBI (MF) Regulations.</p>
<p>Half yearly Disclosures: Portfolio / Financial Results</p> <p>This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	<p>Before expiry of one month from the close of each half year that is on March 31 and September 30, the Mutual Fund will publish its half-yearly unaudited financial results in one national English daily newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated as per the format prescribed by SEBI. These results shall also be displayed on the website of the Mutual Fund and AMFI.</p> <p>The Mutual Fund shall before the expiry of one month from the close of each half year i.e. March 31 and September 30, send to all Unit holders a complete statement of its Scheme portfolio. Provided that the statement of Scheme portfolio may not be sent to the Unit holders if the statement is published, by way of an advertisement, in one English daily Newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated. The disclosure of Portfolio shall be made in the format prescribed by SEBI. The statement of portfolio shall also be displayed on the website of the Mutual Fund.</p>
<p>Half Yearly Results</p>	<p>The Mutual Fund and Asset Management Company shall before the expiry of one month from the close of each half year that is on 31st March and on 30th September, publish its unaudited financial results in one national English daily newspaper and in a regional newspaper published in the language of the region where the Head Office of the mutual fund is situated.</p>
<p>Annual Report</p>	<p>The Scheme wise annual report or an abridged summary thereof shall be sent:</p> <ul style="list-style-type: none"> (i) by e-mail to the Unit holders whose e-mail address is available with the Fund, (ii) in physical form to the Unit holders whose email address is not registered with the Fund and/or those Unit holders who have opted / requested for the same. <p>The scheme wise annual report or an abridged summary thereof shall be sent by mail/e-mail not later than four months from the date of closure of the relevant accounting year (i.e. 31st March each year).</p> <p>The physical copy of the scheme wise annual report or abridged summary thereof shall be made available to the investors at the registered office of the AMC.</p> <p>A link of the scheme annual report or abridged summary thereof shall be displayed prominently on the website of the Fund and shall also be displayed on the website of Association of Mutual Funds in India (AMFI).</p>

Associate Transactions	Please refer to 'Statement of Additional Information ('SAI')'.		
Taxation The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors / authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.		Resident Investors ^ ^	Mutual Fund ^ ^
	Tax on Dividend:		
	(i) Income Schemes	Nil	Dividend Distribution Tax (DDT) Individual / HUF 13.519%* Others 32.445%* (Refer Note 1 & 2 below)
	(ii) Liquid Schemes	Nil	Dividend Distribution Tax (DDT) Individual / HUF 27.038%* Others 32.445%* (Refer Note 1 & 2 below)
	Capital Gains (Income and Liquid Scheme):		
	Long Term	10%*/20%* (plus applicable surcharge and education cess)	Nil
	Short Term	Income tax rate applicable to the Unit holders as per their income slabs.	Nil
Note: 1. HDFC Mutual Fund is a Mutual Fund registered with the Securities & Exchange Board of India and hence the entire income of the Mutual Fund will be exempt from income tax in accordance with the provisions of Section 10(23D) of the Income-tax Act, 1961 (the Act). 2. On income distribution, if any, made by the Mutual Fund, additional income tax is payable under section 115R of the Act, in the case of its Schemes (other than equity oriented funds i.e. such fund where the investible funds are invested by way of equity shares in domestic companies to the extent of more than 65% of the total proceeds of such fund). * including applicable surcharge, education cess and secondary and higher education cess. ^ ^ For Further details on taxation please refer to the Section on 'Taxation on investing in Mutual Funds' in 'Statement of Additional Information ('SAI')'.			
Investor services	Investors may contact any of the Investor Service Centres (ISCs) of the AMC for any queries / clarifications at telephone number 60006767 or 1800 233 6767 (toll free), Fax number. (022) 22821144, e-mail: cliser@hdfcfund.com. Investors can also post their grievances/feedback/suggestions on our website www.hdfcfund.com under the section "Feedback or queries" appearing under 'Contact Us'. The Head Office of the AMC will follow up with the respective ISCs to ensure timely redressal and prompt investor services. Mr. John Mathews, Head - Client Services can be contacted at Mistry Bhavan, 2nd Floor, 122, Dinshaw Vachha Road, Churchgate, Mumbai - 400 020 at telephone number (Direct) (022) 66316301 or telephone number (Board) (022) 66316333. His e-mail contact is: jmathews@hdfcfund.com		

D. COMPUTATION OF NAV

The Net Asset Value (NAV) per Unit of the Scheme(s) will be computed by dividing the net assets of the Scheme(s) by the number of Units outstanding under the Scheme on the valuation date. The Mutual Fund will value its investments according to the valuation norms, as specified in Schedule VIII of the SEBI (MF) Regulations, or such norms as may be specified by SEBI from time to time.

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

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

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

In case of HCMF - Savings Plan, Call Plan and HLF, the AMC will calculate the NAVs all year round.

Separate NAVs will be calculated and announced for each Plans / Options.

The NAV of the Scheme(s) will be calculated upto 4 decimals. Units will be allotted upto 3 decimals.

There are no specific SEBI guidelines on valuation of foreign securities at present. In the absence of any guidelines, the following policy will be followed:

The security issued outside India and listed on the stock exchanges outside India shall be valued at the closing price on the stock exchange at which it is listed. However in case a security is listed on more than one stock exchange, the AMC reserves the right to determine the stock exchange, the price of which would be used for the purpose of valuation of that security. Any subsequent change in the reference stock exchange used for valuation will be backed by reasons for such change being recorded in

writing by the AMC. Further in case of extreme volatility in the overseas markets, the securities listed in those markets may be valued on a fair value basis.

If a significant event has occurred after security prices were established for the computation of NAV of the Scheme, the AMC reserves the right to value the said securities on fair value basis.

When on a particular valuation day, a security has not been traded on the selected stock exchange; the security will be valued in accordance with SEBI guidelines applicable for security listed in India.

In case of investment in foreign debt securities, on the Valuation Day, the securities shall be valued in line with the valuation norms specified by SEBI for Indian debt securities. However, in case valuation for a specific debt security is not covered by SEBI (MF) Regulations, then the security will be valued on fair value basis.

Due to difference in time zones of different markets, closing price of overseas securities/ units of overseas mutual fund may be available only after the prescribed time limit for declaration of NAV in India. In such cases, the NAV of the Scheme for any Business Day (T day) will be available on the next Business Day (T+1 day) and the same shall be posted, on each Business Day, on the Fund's website and on the AMFI website - www.amfiindia.com on date of computation of NAV.

On the Valuation Day, all assets and liabilities denominated in foreign currency will be valued in Indian Rupees at the exchange rate available on Bloomberg / Reuters / RBI at the close of banking hours in India. The Trustees reserve the right to change the source for determining the exchange rate.

The exchange gain / loss resulting from the aforesaid conversion shall be recognized as unrealized exchange gain / loss in the books of the Scheme on the day of valuation.

Further, the exchange gain / loss resulting from the settlement of assets / liabilities denominated in foreign currency shall be recognized as realized exchange gain / loss in the books of the scheme on the settlement of such assets / liabilities.

IV. FEES AND EXPENSES

This section outlines the expenses that will be charged to the Scheme(s). The information provided under this Section seeks to assist the investor in understanding the expense structure of the Scheme(s) and types of different fees / expenses and their percentage the investor is likely to incur on purchasing and selling the Units of the Scheme(s).

A. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the Scheme(s). These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:

The AMC has estimated that upto 2.25% of the daily net assets of the Scheme(s) will be charged to the Scheme(s) as expenses. Please refer to the table below for details. For the actual current expenses being charged, the investor should refer to the website of the Mutual Fund viz. www.hdfcfund.com.

(% of net assets)

Expenses Head	HIF	HHIF	HHIF - Short Term Plan	HSTP	HSTOF	HMTOF	HFRIF		HGILT		HMYF	HMYF'05	HMIP		HCMF			HLF
							Short Term Plan	Long Term Plan	Short Term Plan	Long Term Plan			Short Term Plan	Long Term Plan	Savings Plan	Treasury Advantage Plan	Call Plan	
Investment Management and Advisory Fees	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	0.60	0.70	0.60	0.60
Trustee Fees	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Custodial Fees	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Audit Fees	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Registrar & Transfer Agent Fees including cost related to providing accounts statement, dividend/redemption cheques/warrants etc.	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Marketing and selling Expenses including Agents Commission and statutory Advertisement and Brokerage & Transaction Cost pertaining to the distribution of units	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Cost Related to investor communications and Cost of fund transfer from location to location	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Other expenses	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.68	0.58	0.68	0.68
Total estimated recurring expenses	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25

The purpose of the above table is to assist the Investor in understanding the various costs and expenses that an Investor in the Scheme(s) will bear directly or indirectly.

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se. The expenses under any head may be more or less than as specified in the table above, but the total recurring expenses that can be charged to the Scheme will be subject to limits prescribed from time to time under the SEBI (MF) Regulations. The figures in the table above are estimates and are subject to change as per actual expenses incurred subject to maximum limits prescribed under the SEBI (MF) Regulations.

The AMC may charge the Mutual Fund with investment and advisory fee as prescribed in the SEBI (MF) Regulations from time to time. Presently, the SEBI (MF) Regulations permit fees as follows:

- 1.25% of the weekly average net assets outstanding in each accounting year for the Scheme concerned as long as the net assets do not exceed ₹100 crore, and
- 1% of the excess amount over ₹100 crore, where net assets so calculated exceed ₹100 crore.

The recurring expenses of the Scheme(s) shall be as per the limits prescribed under the SEBI (MF) Regulations. These are as follows:

On the first ₹ 100 crores of the daily net assets	- 2.25%
On the next ₹ 300 crores of the daily net assets	- 2.00%
On the next ₹ 300 crores of the daily net assets	- 1.75%
On the balance of the assets	- 1.50%

The total expenses of the Scheme(s) including the investment management and advisory fee shall not exceed the limit stated in Regulation 52(6) of SEBI (MF) Regulations.

Any expenditure in excess of the SEBI regulatory limits, shall be borne by the AMC or by the Trustee or the Sponsor.

The AMC reserves the right to calculate investment management fees or recurring expenses on the basis of daily or weekly average net assets depending on the periodicity of publication of NAV.

The current expense ratios will be updated on the Mutual Fund website viz. www.hdfcfund.com within two working days mentioning the effective date of the change.

B. TRANSACTION CHARGES

SEBI with the intent to enable investment by people with small saving potential and to increase reach of Mutual Fund products in urban areas and in smaller towns, wherein the role of the distributor is vital, has allowed AMCs vide its circular No. Cir/IMD/DF/13/2011 dated August 22, 2011 to deduct transaction charges for subscription of ₹ 10,000/- and above. The said transaction charges will be paid to the distributors of the Mutual Fund products.

In accordance with the said circular, AMC / Mutual Fund will deduct the transaction charges from the subscription amount and pay to the distributors (who have opted to receive the transaction charges) as shown in the table below. Thereafter, the balance of the subscription amount shall be invested.

- (i) Transaction charges shall be deducted for Applications for purchase/ subscription received through distributor/ agent as under:

Investor Type	Transaction Charges
First Time Mutual Fund Investor	Transaction charge of ₹ 150/- for subscription of ₹ 10,000 and above will be deducted from the subscription

Investor Type	Transaction Charges
	amount and paid to the distributor/ agent of the first time investor. The balance of the subscription amount shall be invested.
Investor other than First Time Mutual Fund Investor	Transaction charge of ₹ 100/- per subscription of ₹ 10,000 and above will be deducted from the subscription amount and paid to the distributor/ agent of the investor. The balance of the subscription amount shall be invested.

However, transaction charges in case of investments through SIP shall be deducted only if the total commitment (i.e. amount per SIP installment x No. of installments) amounts to ₹ 10,000/- or more. The transaction charges shall be deducted in 3-4 installments.

Identification of investors as "first time" or "existing" will be based on Permanent Account Number (PAN) at the First/ Sole Applicant/ Guardian level. Hence, Unit holders are urged to ensure that their PAN / KYC is updated with the Fund. Unit holders may approach any of the Official Points of Acceptances of the Fund i.e. Investor Service Centres (ISCs) of the Fund/ offices of our Registrar and Transfer Agent, M/s. Computer Age Management Services Pvt. Ltd in this regard.

(ii) It may be noted that Transaction Charges shall not be deducted:

- where the distributor of the investor has not opted to receive any Transaction Charges;
- for purchases / subscriptions/ total commitment amount in case of SIP of an amount less than ₹ 10,000/-;
- for transactions other than purchases / subscriptions relating to new inflows i.e. through Switches/ Systematic Transfers/ Dividend Transfers/ Dividend Reinvestment, etc.;
- for purchases / subscriptions made directly with the Fund (i.e. not through any distributor);
- for purchases / subscriptions routed through Stock Exchange(s) as applicable.

C. LOAD STRUCTURE

Load is an amount, which is paid by the investor to subscribe to the units or to redeem the units from the scheme(s). This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC (www.hdfcfund.com) or call at Toll Free No. 1800 233 6767 or your distributor.

Details of Load Structure (On Ongoing basis)

(i)	Particulars (as a % of Applicable NAV)	HDFC Income Fund	HDFC High Interest Fund & HDFC High Interest Fund-Short Term Plan	HDFC Short Term Plan
	Entry / Sales Load	Not Applicable Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor. Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder.		
	Exit / Redemption Load	<ul style="list-style-type: none"> In respect of each purchase / switch-in of units, an Exit Load of 0.50% is payable if Units are redeemed / switched-out within 6 months from the date of allotment. No Exit Load is payable if Units are redeemed / switched-out after 6 months from the date of allotment. 	HHIF: <ul style="list-style-type: none"> In respect of each purchase / switch-in of Units, an Exit Load of 0.50% is payable if Units are redeemed / switched-out within 3 months from the date of allotment. No Exit Load is payable if Units are redeemed / switched-out after 3 months from the date of allotment. HHIF-STP: <ul style="list-style-type: none"> In respect of each purchase / switch-in of Units, an Exit Load of 0.25% is payable if Units are redeemed / switched-out within 1 month from the date of allotment. 	<ul style="list-style-type: none"> In respect of each purchase / switch-in of Units, an Exit Load of 0.50% is payable if Units are redeemed / switched-out within 6 months from the date of allotment. No Exit Load is payable if Units are redeemed / switched-out after 6 months from the date of allotment.
	Particulars (as a % of Applicable NAV)	HDFC Short Term Opportunities Fund	HDFC Medium Term Opportunities Fund	HDFC Floating Rate Income Fund
	Entry / Sales Load	Not Applicable Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor. Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder.		
	Exit / Redemption Load	<ul style="list-style-type: none"> In respect of each purchase/switch-in of units, an Exit load of 0.25% is payable if units are redeemed/switched-out within 1 month from the date of allotment. No Exit Load is payable if units are redeemed / switched-out after 1 month from the date of allotment. 	<ul style="list-style-type: none"> In respect of each purchase/switch-in of units, an Exit load of 2% is payable if units are redeemed/switched-out within 12 months from the date of allotment. In respect of each purchase/switch-in of units, an Exit load of 1% is payable if units are redeemed/switched-out within 12 months but within 18 months from the date of allotment. No Exit Load is payable if units are redeemed/ switched-out after 18 months from the date of allotment. 	Short Term Plan : Nil Long Term Plan: <ul style="list-style-type: none"> In respect of each purchase / switch-in of Units, an Exit Load of 2.00% is payable if Units are redeemed / switched-out within 12 months from the date of allotment. No Exit Load is payable if Units are redeemed / switched-out after 12 months from the date of allotment.
	Particulars (as a % of Applicable NAV)	HDFC Gilt Fund	HDFC Multiple Yield Fund	HDFC Multiple Yield Fund - Plan 2005
	Entry / Sales Load	Not Applicable Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor. Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder.		
	Exit / Redemption Load	Short Term Plan : Nil Long Term Plan : <ul style="list-style-type: none"> In respect of each purchase / switch-in of Units, an Exit Load of 0.25% is payable if Units are redeemed / switched-out within 3 months from the date of allotment. No Exit Load is payable if Units are redeemed / switched-out after 3 months from the date of allotment. 	<ul style="list-style-type: none"> In respect of each purchase / switch-in of units, an Exit Load of 1.00% is payable if Units are redeemed / switched-out within 1 year from the date of allotment. No Exit Load is payable if Units are redeemed / switched-out after 1 year from the date of allotment. 	<ul style="list-style-type: none"> In respect of each purchase / switch-in of units, an Exit Load of 1.00% is payable if Units are redeemed / switched-out within 15 months from the date of allotment. No Exit Load is payable if Units are redeemed / switched-out after 15 months from the date of allotment.

Particulars (as a % of Applicable NAV)	HDFC MF Monthly Income Plan	HDFC Cash Management Fund	HDFC Liquid Fund
Entry / Sales Load	Not Applicable Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor. Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder.		
Exit / Redemption Load	Short Term Plan & Long Term Plan: <ul style="list-style-type: none"> In respect of each purchase / switch-in of units, an Exit Load of 1.00% is payable if Units are redeemed / switched-out within 1 year from the date of allotment. No Exit Load is payable if Units are redeemed / switched-out after 1 year from the date of allotment. 	Savings Plan, Treasury Advantage Plan and Call Plan: Nil	Nil

- (ii) No Exit Load shall be imposed for switching between Plans / Options within the Scheme (**except HDFC Floating Rate Income Fund, HDFC Gilt Fund, HDFC MF Monthly Income Plan and HDFC Cash Management Fund**). No Exit Load shall be imposed for switching between the options within the respective Plans of HDFC Floating Rate Income Fund, HDFC Gilt Fund, HDFC MF Monthly Income Plan and HDFC Cash Management Fund.
- (iii) No Exit Load will be levied on units allotted in the Target Scheme under the Dividend Transfer Plan.
- (iv) No Entry / Exit Load will be levied on the dividend reinvested.
- (v) No Entry / Exit Load will be levied on the issue / redemption of bonus units.

Under the Scheme (s), the Trustee / AMC reserves the right to modify / change the Load structure if it so deems fit in the interest of smooth and efficient functioning of the Mutual Fund. The AMC reserves the right to introduce / modify the Load Structure depending upon the circumstances prevailing at that time subject to maximum limits as prescribed under the SEBI (MF) Regulations. The Load may also be changed from time to time and in the case of an Exit / Redemption Load this may be linked to the period of holding. Exit load up to 1% of the redemption value charged to the Unit holder by the Mutual Fund on redemption of units shall be retained by the Scheme in a separate account and will be utilized for payment of commissions to the ARN Holder and to meet other marketing and selling expenses. Any amount in excess of 1% of the redemption value charged to the Unit holder as exit load shall be credited to the Scheme immediately. The investor is requested to check the prevailing load structure of the Scheme before investing.

The Redemption Price however, will not be lower than 93% of the NAV, and the Sale Price will not be higher than 107% of the NAV, provided that the difference between the Redemption price and Sale price at any point in time shall not exceed the permitted limit as prescribed by SEBI from time to time which is presently 7% calculated on the Sale Price.

Any imposition or enhancement of Exit Load in the load shall be applicable on prospective investments only. However, AMC shall not charge any load on issue of bonus units and units allotted on reinvestment of dividend for existing as well as prospective investors. At the time of changing the load structure the AMC / Mutual Fund may adopt the following procedure:

- (i) The addendum detailing the changes will be attached to Scheme Information Document and Key Information Memorandum and displayed on our website www.hdfcfund.com. The addendum will be circulated to all the distributors / brokers so that the same can be attached to all Scheme Information Document and Key Information Memorandum already in stock.
- (ii) Arrangements will be made to display the changes / modifications in the Scheme Information Document in the form of a notice in all the Investor Service Centres and distributors / brokers office.

- (iii) The introduction of the Load along with the details will be stamped in the acknowledgement slip issued to the investors on submission of the application form and will also be disclosed in the Account Statement or in the covering letter issued to the Unit holders after the introduction of such Load.
- (iv) A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.

D. WAIVER OF LOAD FOR DIRECT APPLICATIONS

Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009 no entry load shall be charged for all mutual fund schemes.

Therefore, the procedure for waiver of load for direct applications is no longer applicable.

V. RIGHTS OF UNITHOLDERS

Please refer to 'Statement of Additional Information ('SAI')' for details.

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

1. *Penalties and action(s) taken against foreign Sponsor(s) limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out and where the headquarters of the Sponsor(s) is situated. Also, top 10 monetary penalties of foreign Sponsor(s) during the last three years.*

None.

2. *In case of Indian Sponsor(s), details of all monetary penalties imposed and / or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and / or the AMC and / or the Board of Trustees / Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.*

The penalty levied by SEBI on HDFC for delay in intimating the acquisition of shares of Hindustan Oil Exploration Company Limited, in compliance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 had been set aside by the Securities Appellate Tribunal (SAT).

Aggrieved by the order passed by SAT, SEBI filed an appeal before the Hon'ble High Court at Mumbai, pursuant to which the Hon'ble High Court set aside the said order and remanded the matter to SAT for fresh hearing and review.

Aggrieved by the impugned order passed by the Hon'ble High Court, HDFC filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India, pursuant to which the Hon'ble Supreme Court of India was pleased to issue notice to SEBI in the matter. The matter is now pending before the Hon'ble Supreme Court of India. At a hearing held on April 21, 2005 the Hon'ble Supreme Court of India was pleased to admit the said SLP.

3. *Details of all enforcement actions (including the details of violation, if any) taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party.*

SEBI by its ad interim order no. WTM/KMA/IVD/267/06/2010 dated June 17, 2010, under Section 19 read with Sections 11(1), 11(4) and 11B of the SEBI Act, 1992 has prohibited Mr. Nilesh Kapadia, formerly a Dealer (Equities) at HDFC Asset Management Company Limited from buying, selling or dealing in securities, or being associated with any intermediary or entity registered with SEBI, till further orders. SEBI had in its order stated that Mr. Nilesh Kapadia has violated Regulations 3(a) to 3(d) and Regulation 4(1) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003. In the said order, SEBI directed that HDFC Asset Management Company Limited and Mr. Nilesh Kapadia to jointly deposit ₹ 238.40211 lakhs, towards the losses suffered by the investors, with the Trustees i.e. HDFC Trustee Company Limited. HDFC Asset Management Company Limited has deposited ₹ 238.40211 lakhs with the Trustees. HDFC Asset Management Company Limited has further deposited a sum of ₹ 20.21989 lakhs with the Trustees in July 2011 in accordance with SEBI directives.

Consent Applications were filed by HDFC Asset Management Company Limited, HDFC Trustee Company Limited and Mr. Milind Barve, Managing Director of HDFC Asset Management Company Limited in connection with the proceedings arising out of and in relation to the above order passed by SEBI.

Consent Applications sought settlement of the issues arising out of and in connection with the order and proceedings that may be initiated by SEBI including under the SEBI (Mutual Funds) Regulations, 1996, SEBI (Portfolio Managers) Regulations, 1993 Clause IV (Operation Risks) in Operating Manual for Risk Management for Indian Mutual Funds, Annexure to Circular No. MFD / CIR / 15 /19133 /2002 dated September 30, 2002. HDFC Trustee Company Limited, HDFC Asset Management Company Limited and Mr. Milind Barve, remitted a sum of ₹ 20,00,000/-, ₹ 20,00,000/- and ₹ 15,00,000/- respectively without admission or denial of guilt. In connection with the above, SEBI has issued a Consent Order no. CO/ID-6/AO/BM/130-132/2011 dated September 30, 2011.

4. *Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party.*

None.

5. *Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company which SEBI has specifically advised to be disclosed in the SID, or notified by any other regulatory agency.*

None.

Notes:

1. Any amendments / replacement / re-enactment of SEBI (MF) Regulations subsequent to the date of the Scheme Information Document shall prevail over those specified in this Scheme Information Document.
2. The Scheme(s) under this Combined Scheme Information Document were approved by the Trustee as follows :

Name of Scheme	Date of Approval
HDFC Income Fund	June 26, 2000
HDFC Liquid Fund	September 04, 2000
HDFC Gilt Fund	April 17, 2001
HDFC Short Term Plan	January 15, 2002
HDFC Floating Rate Income Fund	April 24, 2002
HDFC MF Monthly Income Plan	July 25, 2003
HDFC Multiple Yield Fund	June 18, 2004
HDFC Multiple Yield Fund - Plan 2005	April 20, 2005
HDFC Short Term Opportunities Fund	June 26, 2009
HDFC Medium Term Opportunities Fund	June 26, 2009

The migration of HDFC Cash Management Fund and HDFC High Interest Fund (Scheme(s) of Zurich India Mutual Fund) to HDFC Mutual Fund was approved by the Trustee at their meeting held on June 20, 2003.

3. The consolidated Scheme Information Document is an updated version of the same in line with the current laws / regulations and other developments.
4. **Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.**

For and on behalf of the Board of Directors of
HDFC Asset Management Company Limited

Place : Mumbai
Date : April 30, 2012

MILIND BARVE
Managing Director

HDFC ASSET MANAGEMENT COMPANY LIMITED (HDFC AMC LIMITED) – INVESTOR SERVICE CENTRES / OFFICIAL POINTS OF ACCEPTANCE FOR HDFC MUTUAL FUND

(For ongoing Transactions)

ANDHRA PRADESH : HDFC AMC Ltd., 6-3-883/7, 11th Floor, Sapphire Square, Somajiguda, **Hyderabad - 500 282**. Tel.: 040 - 23417401 / 02 / 03 / 04 / 05, Fax: 040 -23417407. HDFC AMC Ltd., 18-2-299/B, 1st Floor, Leela Mahal Circle, Tirumala Bypass Road, **Tirupati - 517 507**. Tel: (0877) 2222 871 / 872 / 873 / 874, Fax: (0877) 2222689. HDFC AMC Ltd., 2nd Floor, Centurion Bank Complex, Near Benz Circle, M. G. Road, **Vijayawada-520 010**. Tel. No: (0866)-3988029. HDFC AMC Ltd., First Floor, Saigopal Arcade, Waltair Main Road, Siripuram, **Visakhapatnam - 530 003**. Tel: (0891) 2769636, 6450306 / 9685 / 7584, Fax. No.: (0891) 2738728. HDFC AMC Ltd., 2-5-83/84 1st Floor, Mitralaxmi Narayana Arcade, Nakkala Gutta, Hanmakonda, **Warangal - 506 002**. Tel: (0870) 2566 005 / 006/ 007 / 008/ 009, Fax: (0870) 2566010. **ASSAM** : HDFC AMC Ltd., Premises- 1C, 1st Floor, Ganpati Enclave, G.S.Road, **Guwahati-781 007**. Tel: (0361)-2464759/60. Fax: (0361)-2464758. **BIHAR** : HDFC AMC Ltd., Ishwari Complex, 1st Floor, Dr. Rajendra Prasad Road, **Bhagalpur - 812 002**. Tel: (0641) 2300 390, Fax: (0641) 2300391. HDFC AMC Ltd., C/o Hera Enclave (Adjacent to Sahara Unique Showroom), Mezzanine Floor, New Dak Bunglow Road, **Patna - 800 001**. Tel: 0612 - 2230540/ 3201439, Telefax: 0612 - 2200747. **CHHATTISGARH** : Ground Floor, Chawla Complex, Devendra Nagar, Sai Nagar Road, Near Vanijya Bhawan, Near Indhira Gandhi Square, **Raipur - 492 001**. Tel: (0771) 4020 167 / 168. **DELHI** : HDFC AMC Ltd., Ground Floor - 2 & 3 and First Floor, Prakashdeep Building, 7, Tolstoy Marg, Connaught Place, **New Delhi - 110 001**. Tel: (011) 6632 4000, Fax: (011) 23351317 /18. **GOA** : HDFC AMC Ltd., Ground Floor, G3 & G4, Jivottam, Minguel Miranda Road, Off. Abade Faria Road, **Margao - 403 601**. Salcete. Tel: (0832) 2737410 / 11. Fax: (0832) 2736477. HDFC AMC Ltd., S1, Second Floor, Above Axis Bank, Edcon Centre, Angod, **Mapusa - 403 507**, Bardez, Goa. Tel: (0832) 2253 460 / 461, Fax: (0832) 2253465. HDFC AMC Ltd., A-3, First Floor, Krishna Building, Opp. Education Department, Behind Susheela Building, G. P. Road, **Panaji - 403 001**. Tel: 0832 - 2425609, 2425610, Fax: 0832 - 2425614. HDFC AMC Ltd., 6, Ground Floor, Pereira Chambers, Padre Jose Vaz Road, **Vasco - 403 802**, Mormugao. Tel: (0832) 2513 402 / 406, Fax: (0832) 2513448. **GUJARAT** : HDFC AMC Ltd., 2nd Floor, Megha House, Besides GRUH House, Mithakhali Six Roads, **Ahmedabad - 380 009**. Tel.: 079 – 40050055 / 66, Fax: 079 - 40050506. HDFC AMC Ltd., Maruti Sharanam, No.117, 1st Floor, Anand-Vidhyanagar Road, Opposite Nandbhumi Party Plot, **Anand - 388 001**. Tel: (02692) - 398200, Fax: (02692) - 398222. HDFC AMC Ltd., 3rd Floor, Shreemangalam Complex, Above IDBI Bank, Patel Society Road, Ward No. 1, Kasak Circle, **Bharuch - 392 012**. Tel: (0264) 2227205, Fax: (0264) 2227206. HDFC AMC Ltd., 2nd Floor, Gangotri Plaza, Opposite Daxinamurty School, Waghawadi Road, **Bhavnagar - 364 001**. Tel: (0278) - 3988029, Fax: (0278) - 3984039. HDFC AMC Ltd., 1st Floor, B Wing, Katira Complex, RTO Circle, **Bhuj - 370 001**. Tel: (02832) 223 223, Fax: (02832) 251. 946 HDFC AMC Ltd., 2nd Floor, Keshav Complex, P N Marg, Opposite Dhanvantry, **Jamnagar - 361 001**. Tel: (0288) - 3988029, Fax: (0288) - 3982426. HDFC AMC Ltd., 2nd Floor, Rajendra Estate, State Highway, **Mehsana - 384 002**. Tel: (02762) 302000. Fax: (02762) 302020. HDFC AMC Ltd., 2nd Floor, Shiv Darshan, Dr. Radha Krishnan Road, 5, Jagnath, Plot Corner, **Rajkot - 360 001**. Tel: 0281- 6624881 / 82, Fax: 0281 - 6624883. HDFC AMC Ltd., U1 - U3, Jolly Plaza, Opp. Athwa Gate Police Station, Athwa Gate, **Surat - 395 001**. Tel: 0261 – 2460082 / 83, Fax: 0261 - 2460091. HDFC AMC Ltd., Upper Ground Floor, Gokulesh, R. C. Dutt Road, **Vadodara - 390 007**. Tel: 0265 - 6621110 / 20, Fax: 0265 - 6621150. HDFC AMC Ltd., 5-B, 2nd Floor, Sapphire Building, Daulatnagar, Chala-Vapi Road, **Vapi - 396 191**. Tel: (0260) 3983900, Fax: (0260) 3983908. **HARYANA** : HDFC AMC Ltd., 1st Floor, Sudarshan Tower, Cross Road # 1, Nicholson Road, **Ambala Cantt -133 001**. Tel: (0171) 2631995/6 Fax: (0171) 2631994. HDFC AMC Ltd., TA - 12A, 15-18, Third Floor, Crown Plaza, Sector 15A, Mathura Road, **Faridabad - 121 001**. Tel: (0124) 2221 338 / 339 / 341 / 342 / 343, Fax: (0129) 2221340. HDFC AMC Ltd., Premises 102, 1st Floor, Vipul Agora, MG Road, **Gurgaon - 122 002**. Tel: (0124) 2560 450 - 54 Fax: (0124) 2560455. HDFC AMC Ltd., 1175 B Royal 1, 1st Floor, Adjoining Gurudawara, G.T Road, **Panipat - 132 103**. Tel: (0180) 3985400/ 01, Fax: (0180) 3985403. **HIMACHAL PRADESH**: 2nd Floor, Opposite Town Hall, 30, The Mall. **Shimla - 171 001**. Tel: (0177) 2816861. **JAMMU & KASHMIR** : HDFC AMC Ltd., Hall No-102 A/2, South Block, Bahu Plaza, Gandhi Nagar, **Jammu - 180 012**. Tel: (0191)-2477911/12/13 / (0191) 2474297/98/99. **JHARKHAND** : HDFC AMC Ltd., Vardhan Complex, 1st Floor, Opp. Sreeleathers Showroom, Bank More, **Dhanbad- 826 001**. Tel: (0326) 3205352, 2301756. Fax: (0326) 2300552. HDFC AMC Ltd., Gayatri Enclave, 2nd Floor, "K Road", Bistupur, **Jamshedpur - 831 001**. Telefax: 0657 - 2426730. HDFC AMC Ltd., Pradhan Towers, 1st Floor, 5, Main Road, **Ranchi- 834 001**. Tel: (0651) 6003358. Fax: (0651) 3242077. **KARNATAKA** : HDFC AMC Ltd., Nitesh Broadway, No. 9/3, 1-A, Ground Floor, M. G. Road, Opposite Trinity Metro Station, **Bangalore - 560001**. Tel: 080-66205300, Fax: 080-41125255. HDFC AMC Ltd., # 145, 1st Floor, 60 ft Road, 5th Block, Koramangala, **Bangalore - 560 034**. HDFC AMC Ltd., # 493, 1st Floor, 4th Cross, 2nd Main, Sampige Road, Malleshwaram, **Bangalore - 560 003**. HDFC AMC Ltd., Premises No. 4830 / B, First Floor, Dr. Ambedkar Road, Opp. Civil Medical College, **Belgaum - 590 002**. Tel: (0831) 4206 915 / 916 / 918, Fax: (0831) 4206919. HDFC AMC Ltd., # 63, Upper Ground Floor, Opposite Bellary Gas Agency, Anantapura Cross Road, **Bellary - 583 103**. Tel: (08392) 276576, Fax: (08392) 276580. HDFC AMC Ltd., 190/3, 1st Floor, S.V.C. Plaza, Opposite Mothi Talkies, Gandhi Circle, **Davangere - 577 002**. Tel: (08192) 250 240 / 241 / 242, Fax: (08192) 250243. HDFC AMC Ltd., No. 1, First Floor, Revankar Comforts, Vivekanand Road, Court Circle, **Hubli - 580 029**. Tel: (0836) 4252 294 / 95. Fax: (0836) 4252 290 HDFC AMC Ltd., UG-II, 6 & 7, Upper Ground Floor, Maximus Commercial Complex, Light House Hill Road, Opp. KMC, **Mangalore - 575 001**. Tel. 0824 – 4285337 / 33, Fax: 0824 – 4285336. No. 2918, CH 51 / 1 B, 1st Floor, Patel Mansion, Kantharaj Urs Road, Saraswathipuram, **Mysore - 570 009**. Tel: (0821) 4000 530 Fax: (0821) 4000 535. **KERALA** : HDFC AMC Ltd., 3rd Floor, City Mall, Opposite YMCA, Kannur Road, **Calicut - 673 001**. Tel: (0495) - 4099222 / 333, 3982310, Fax: (0495) - 3982330. HDFC AMC Ltd., Ground Floor, Cinema cum Commercial Complex, Behind Ravipuram Bus Stop, M. G. Road, **Kochi - 682 016**. Tel: 0484 - 2357707 / 8, 3243058 / 59, Fax: 0484 - 2358462. HDFC AMC Ltd., 14/868, Ground Floor, Sri Krishna Complex, Coimbatore Road, **Palghat - 678 001**. Tel: (0491) 2548 302 / 6452 185 / 186 / 188, Fax: (0491) 2548303. HDFC AMC Ltd., 2nd Floor, E-Town Shopping, College Road, East Fort, **Thrissur - 680 005**. Tel: (0487) 2441976. Fax: (0487) 2441976. HDFC AMC Ltd., 1st Floor, Kaniamparambil Arcade, G S Junction, Shastri Road, **Kottayam - 686 001**. Tel: (0481) 2309 759 / 760 / 761. Fax: (0481) 3018397. HDFC AMC Ltd., Ground Floor, Bhadra Tower, Cotton Hill Road, Vazhuthacaud, Thycad P.O., **Trivandrum - 695 014**. Tel: (0471) 3983 730 / 731 / 732 Fax: (0471) 3983738. **MADHYA PRADESH** : HDFC

HDFC ASSET MANAGEMENT COMPANY LIMITED (HDFC AMC LIMITED) – INVESTOR SERVICE CENTRES / OFFICIAL POINTS OF ACCEPTANCE FOR HDFC MUTUAL FUND (CONTD.)

AMC Ltd., 1st Floor, Ranjeet Tower, 8, Zone-II, M. P. Nagar, **Bhopal - 462 011**. Tel: 0755 - 4285385, 4246995, Fax: 0755 - 4058890. HDFC AMC Ltd., M1, M2 & M3, Mezzanine Floor, Sterling Arcade, 15 / 3, Race Course Road, **Indore - 452 001**. Tel: 0731 - 4022241 / 42. Fax: 0731 - 4245436. HDFC AMC Ltd., First Floor, Muthye Udyog Bhawan, 1039, Wright Town, Opp. Telephone Exchange, **Jabalpur - 482 002**. Tel: (0761) - 4049800, 3988029 Fax: (0761) - 4068814. HDFC AMC Ltd., First Floor, Alakhnanda Towers, Shrimant Madhav Rao Scindia Marg, City Centre, **Gwalior - 474 001**. Tel: (0751) - 4066060, 3988029 Fax: (0751) - 3982803. **MAHARASHTRA** : HDFC AMC Ltd., 1st Floor, Amar Arcade - 2, Opp. Rajapeth Police Station, Raja Peth, **Amravati - 444 601**. Tel: (0721) 2562 112 / 113 Fax: (0721) 2564115. HDFC AMC Ltd., 2nd Floor, Renuka Commercial Complex, Samarth Nagar, Nirala Bazar, Nageshwar Wadi Road, **Aurangabad - 431 001**. Tel: (0240) - 3988029, Fax: (0240) - 3982068. HDFC AMC Ltd., 138, Ground Floor, Kavya Ratnavali Chowk, Omkareshwar Road, **Jalgaon - 425 002**. Tel: (0257) 3982100/ 01. Fax: (0257) 3982114. HDFC AMC Ltd., Royal Prestige, C1/C9, 1st Floor, E - Ward, Sykes Extension, Rajarampuri Road, **Kolhapur - 416 008**. Tel: (0231) - 3988029, Fax: (0231) - 3982060. HDFC AMC Ltd., Premises Nos. F1, 2, 3 & 4, 1st Floor, "Center Square", S.V. Road, Andheri (W), **Mumbai - 400 058**. Tel: (022) 26708239/26285389. Fax: (022) 26241131. HDFC AMC Ltd., Shop # 7, Abhilasha Building, Punjabi Lane, Borivali (W), **Mumbai - 400 092** Tel: (022) 32157268 / 342, Fax: (022) 32719222. HDFC AMC Ltd., Ramon House, 3rd Floor, H. T. Parekh Marg, 169, Backbay Reclamation, Churchgate, **Mumbai - 400 020**. Tel: 022 - 66316333, Fax: 022 - 66580200. HDFC AMC Ltd., Mistry Bhavan, 2nd Floor, 122, Backbay Reclamation, Dinsha Vachha Road, Churchgate, **Mumbai - 400 020**. Tel: 022 - 60006767, Fax: 022 - 66580211. HDFC AMC Ltd., Shop No. 1 & 2, Ground Floor, Atlantic Tower, R B Mehta Road, Near Railway Station, Ghatkopar (East), **Mumbai - 400 077**. Tel: (022) 65253409/08/06/21, Fax: (022) 25116805. HDFC AMC Ltd., Unit No. 101, First Floor, Landmark Building, 136 Hill Road, Opp. St. Peters Church, Bandra (West), **Mumbai - 400 050**. Tel: (022) 26434 760 / 762 / 763 / 764, Fax: (022) 26434768. HDFC AMC Ltd., Shop No. 21/22, Ground Floor, Rajdeep CHS, Near Malhar Cinema, Gokhale Road, **Thane (West) - 400 602**. Tel: (022) 67124172/73/74/75/76, Fax: (022) 67124177. HDFC AMC Ltd., 106-110, 2nd Floor, Shriram Shyam Towers, Near NIT Building, Kingsway, Sadar, **Nagpur - 440 001**. Tel: 0712 - 6630301/02/04, Fax: 0712 - 6630206. HDFC AMC Ltd. G-1 & G-2, "Suyojit Heights", Opp. Rajiv Gandhi Bhavan, Sharanpur Road, **Nashik - 422 002**. Tel: 0253 - 6611831 / 32. Fax: 0253 - 6611836. HDFC AMC Ltd., 6, Chetana Apartment, 2423, East Street, Pune Camp, **Pune - 411 001**. Tel.: (020) 41223301/02, Fax: (020) 41223310. HDFC AMC Ltd., Ground Floor, City Mall, University Circle, Ganeshkhind Road, **Pune - 411 007**. Tel: 020 - 66073301, Fax: 020 - 66073310. HDFC AMC Ltd., BSE 1, Tech Building, 109, A Wing, 1st Floor, Opposite Vashi Railway Station, Sector 30, **Vashi - 400 703**. Tel: (022) - 39880299. HDFC AMC Ltd., 1st Floor, Anant Kuti (Bibikar Bldg.), Manpada Road, Opp. Municipal Corporation Bldg., **Dombivli (East), Mumbai - 421 201**. Tel: (0251) 2860 648 / 649 / 645 / 656 Fax: (0251) 2863953, **ORISSA** : HDFC AMC Ltd., Sri Jagannath Complex, 1st Floor, Opposite Hari - Omm Bhawan, **Barbil - 758 035**. Tel: 09238106515 / 09238106525, Fax: (06767) 277565. HDFC AMC Ltd., Vinayak, 2nd Floor, 96, Janpath, **Bhubaneswar - 751 001**. Tel: 0674 - 6450502/1502, Fax: 0674 - 2531483. HDFC AMC Ltd., 1st Floor, Plot No. 2690 (P), Bajrakabati Road, Ranihat, **Cuttack - 753 001**. Tel: (0671) 2323724/ 725, Fax: (0671) 2324741. HDFC AMC Ltd., Praful Tower, 1st Floor, Panposh Road, **Rourkela - 769 004**. Tel: (0661) - 3988029, 3982060/70. Fax: (0661) - 3982068. HDFC AMC Ltd., Kadambari Complex, 1st Floor, Unit - 4, Nayapara, Golbazar, **Sambalpur - 768 001**. Tel: (0663) 2400 323 / 339, Fax: (0663) 2400324. **PONDICHERRY** : HDFC AMC Ltd., No.17, I Floor, Sree Velayudham Complex, Near Indhira Gandhi Square, Natesan Nagar, **Pondicherry - 605 005**. Tel: (0413) 3043 293 / 500 / 600. Fax: (0413) 2206776. **PUNJAB** : HDFC AMC Ltd., SCO-28, 1st Floor, Taneja Towers, District Shopping Complex, Ranjit Avenue, **Amritsar-143 001**. Tel: (0183) 3988028 /29/ 2570, Fax: (0183) 3982599. HDFC AMC Ltd., Ground Floor, Liberty Chowk, Corner Building, Municipal No. 83 - B, 3A, **Bhatinda - 151 001**. Tel.: (0164) 5001982, Fax: (0164) 5191283. HDFC AMC Ltd., SCO 375-376, Ground Floor, Sector 35-B, Chandigarh - 160 022. Tel: 0172 - 2623397, 2624497 Telfax: 0172 - 3013839. HDFC AMC Ltd., 2nd Floor, Above ING Vysya Bank, Adjacent to Sekhon Grand Hotel, Namdev Chowk, G T Road, **Jalandhar City - 144 001**. Tel: (0181) 3988029 / 970, Fax: (0181) 3982966. HDFC AMC Ltd., SCO 122, Feroze Gandhi Market, **Ludhiana - 141 001**. Tel.: 0161 - 2774321 / 5014321. Fax: 0161 - 3013838. **RAJASTHAN** : HDFC AMC Ltd., 4th Floor, K.C. Complex, Opp. Daulat Bagh, **Ajmer - 305 001**. Tel: (0145) 3099000. Fax: (0145) 3099001. HDFC AMC Ltd., "Moondhra Bhavan", 3-Ajmer Road, **Jaipur - 302 001**. Tel: 0141 - 5111125, 2374968, Fax: 0141 - 5111126. Gulab Singh Bhavan, 11, Chopasni Road, **Jodhpur - 342 003**. Tel: 0291 - 5101927, 5101937, Fax: 0291 - 5105919. HDFC AMC Ltd., 1st Floor, Gowardhan Plaza, 25, Trench Colony, Opposite Lok Kalamandal, **Udaipur - 313 001**. Tel: (0294) 3988029, Fax: (0294) 3982000. **TAMIL NADU** : HDFC AMC Ltd., ITC Centre, First Floor, 760, Anna Salai, **Chennai - 600 002**. Tel: 044 - 43979797 / 43979716, Fax: 044 - 28415855. HDFC AMC Ltd., 1371A, Ground Floor, Nadar Building, Trichy Road, **Coimbatore - 641 018**. Tel: 0422 - 4391861/62/63. Fax: 0422 - 4391714. HDFC AMC Ltd., 127 C/3 East Veli Street, **Madurai - 625 001**. TeleFax: (0452) - 3988029. HDFC AMC Ltd., 1st Floor, No1 Bhimsena Garden Street, Royapettah High Road, **Mylapore, Chennai - 600 004**. Tel: (044) 30913060, Fax: (044) 30913082. HDFC AMC Ltd., First floor, Ram Complex, No. 454/3, Meyanoor Main Road, **Salem - 636 009**. HDFC AMC Ltd., 1st floor, No. 142/7, Sri Balaji Arcade, Opp to Alagar Jewellery, Trivandrum Road, Palayamkottai, Tirunelveli - 627 002. Tel.: (0462) 2576174, Fax: (0462) 2576173. Tel: (0427) 3982680/700. Fax: (0427) 2333617. HDFC AMC Ltd., No. 60, Sri Krishna Arcade, First Floor, Tennur High Road, Tennur, **Trichy - 620 017**. Tel: (0431) 3982830, Fax: (0431) 3982835. HDFC AMC Ltd., Premises No.73, First Floor Door No. 73/19, Thiyagarajapuram Officer's Line Officer's Line, **Vellore - 632 001**, Tel: (0416) 2214670/2. Fax: (0416) 2214671. **UTTARAKHAND** : HDFC AMC Ltd., 76, Rajpur Road, Near RTO, **Dehradun - 248 001**. Tel: (0135) 3988029/ 7434, Fax: (0135) 3987444. HDFC AMC Ltd., Plot No. 1, 1st Floor, Durga City Centre, Bhotia Parao, Nainital Road, **Haldwani - 263 139**. Tel: (05946) 285286 Fax: (05946) 285290. HDFC AMC Ltd., 1st Floor, Kumar Complex, Chandracharya Chowk, **Haridwar - 249407** Tel: (01334) 222406/7 Fax: (01334) 222410. **UTTAR PRADESH** : HDFC AMC Ltd., B2, 1st Floor, 9/4, Shankar Point, Sanjay Place, **Agra - 282 002**. Tel: (0562) 3984761-73, Fax: (0562) 3984777. HDFC AMC Ltd., 3/260-A, Arena Complex, Laxmibai Marg, Marris Road, **Aligarh - 202 001**. Tel: (0571) 2740 770 / 771 / 772 / 773, 2743 970 / 971, Fax: (0571) 2740772. HDFC AMC Ltd., 3rd Floor, Agarwal Arcade, Hyundai Motors Showroom, 4 Sardar Patel Marg, Civil Lines,

HDFC ASSET MANAGEMENT COMPANY LIMITED (HDFC AMC LIMITED) – INVESTOR SERVICE CENTRES / OFFICIAL POINTS OF ACCEPTANCE FOR HDFC MUTUAL FUND (CONTD.)

Allahabad - 211 001. Tel: (0532) 2561 035/036/038/041/042/043, Fax: (0532) 2561035. HDFC AMC Ltd., 146 Civil Lines, 1st Floor, Gupta Complex, Near Circuit House Chouraha, **Bareilly - 243 001.** Tel: (0581) 2510 749 / 759, Fax: (0581) 2510709. HDFC AMC Ltd., D-2, 1st Floor, Raj Nagar District Centre, Raj Nagar, **Ghaziabad - 201 010.** Tel: (0120) 301 0635 Fax: (0120) 3010636. HDFC AMC Ltd., 4th Floor, A.D. Tower Compound, Bank Road, **Gorakhpur - 273 001.** Tel. No: (0551) 6060011/2/3. HDFC AMC Ltd., 1st Floor, 16/80 D, Behind SBI Main, Civil Lines, **Kanpur - 208 001.** Tel: 0512 - 2331484-87, Fax: 0512 - 2331487. HDFC AMC Ltd., 4 Shahnajaf Road, **Lucknow - 226 001.** Tel: 0522 -2207591, 2200163, Fax: 0522 - 2230408. HDFC AMC Ltd., 143/145/1, Ganpati Plaza, Ground Floor, Magal Pandey Nagar, **Meerut - 250 005.** Tel: (0121) 2602 380 / 2601 964 / 965, Fax: (0121) 2602380. HDFC AMC Ltd., Parsvnath Plaza-II, UGF Hall No.4, Delhi Road, **Moradabad - 244 001.** Tel: (0591) 3988029 / 3982131. Fax: (0591) 3982137. HDFC AMC Ltd., K-24/25, Premises No. 36 & 37, Pearl Plaza, Sector-18, **Noida - 201 301.** Tel: (0120) 3988029. Fax: (0120) 3980610. HDFC AMC Ltd., D-64/127, 4th Floor, Arihant Complex, Sagra, **Varanasi - 221 010.** Tel: 9935177068, 9935147068. **WEST BENGAL :** HDFC AMC Ltd., 2nd Floor, Chatterjee Plaza, 69/101, GT Road, Rambandhutala, Asansol - 713 303. Tel: (0341) 2221220, Fax: (0341) 2221219. HDFC AMC Ltd., City Plaza, City Centre, 1st Floor, **Durgapur - 713 216.** Tel: (0343) 3982150, Fax: (0343) 3982153. HDFC AMC Ltd., MS Towers, 2nd Floor, O.T. Road, Inda, **Kharagpur - 721 305.** Tel: (03222) 227 627 / 657. Fax: (03222) 227683. HDFC AMC Ltd., Menaka Estate, 1st Floor, 3 Red Cross Place, **Kolkata - 700 001.** Tel: 033 - 22427849 / 53 / 56 / 59, Fax: 033 - 22439582. Gitanjali Complex, 2nd Floor, Above Corporation Bank, Sevoke Road, **Siliguri - 734 001.** Tel: (0353) - 6453474. Fax: (0353) 2545270.

*This is not an Investor Service Centre for HDFC Mutual Fund. However, this is an official point of acceptance for acceptance of all on-going transactions from Institutional Investors only, i.e. broadly covering all entities other than resident / non resident individuals. Institutional Investors are free to lodge their applications at any other official points of acceptance also.

*Official points of acceptance of transactions for schemes of HDFC Mutual Fund except purchase transactions of Liquid Schemes / Plans viz. HDFC Liquid Fund, HDFC Liquid Fund - Premium Plan and Premium Plus Plan and HDFC Cash Management Fund - Savings Plan & Call Plan.

CAMS – OFFICIAL POINTS OF ACCEPTANCE OF TRANSACTIONS (Post NFO Period)

A. List of Investor Service Centres (ISCs) of Computer Age Management Services Pvt. Ltd. (CAMS), Registrar & Transfer Agents of HDFC Mutual Fund. These ISCs will be in addition to the existing points of acceptance at the offices of HDFC Asset Management Company Ltd. (Investor Service Centres for HDFC Mutual Fund). These ISCs of CAMS will be the official points of acceptance of transactions for schemes of HDFC Mutual Fund except Liquid Schemes/ Plans viz. HDFC Liquid Fund, HDFC Liquid Fund - Premium Plan and Premium Plus Plan and HDFC Cash Management Fund - Savings Plan & Call Plan.

ANDHRA PRADESH : 208, II Floor, Jade Arcade, Paradise Circle, **Secunderabad - 500 003.** 47/ 9 / 17, 1st Floor, 3rd Lane, Dwaraka Nagar, **Visakhapatnam - 530 016.** **ASSAM :** Dhawal Complex, Ground Floor, Durgabari, Rangagora Road, Near Dena Bank, **Tinsukia - 786 125.** **BIHAR:** G-3, Ground Floor, Om Vihar Complex, SP Verma Road **Patna - 800 001.** **GOA:** No.108, 1st Floor, Gurudutta Bldg, Above Weekender, M.G. Road, **Panaji, Goa - 403 001.** **GUJARAT:** 402-406, 4th Floor - Devpath Building, Off C G Road, Behind Lal Bungalow, Ellis Bridge, **Ahmedabad - 380 006.** Office 207 - 210, Everest Building, Opp. Shastri Maidan, Limda Chowk, **Rajkot - 360 001.** Plot No-629, 2nd Floor, Office No. 2-C / 2-D, Mansukhlal Tower, Beside Seventh Day Hospital, Opp. Dhiraj Sons, Athwalines, **Surat - 395 001.** 103, Aries Complex, BPC Road, Off R.C. Dutt Road, Alkapuri, **Vadodara - 390 007.** **JHARKAND :** Millennium Tower, S-4 Ground Floor, R- Road, Bistupur, **Jamshedpur - 831 001.** **KARNATAKA :** Trade Centre, 1st Floor, 45, Dikensen Road (Next to Manipal Centre), **Bangalore - 560 042.** G 4 & 5, Inland Monarch, Opp. Karnataka Bank, Kadri Main Road, Kadri, **Mangalore - 575 003.** **KERALA :** Door No. 64/5871 - D, 3rd Floor, Ittoop's Imperial Trade Center, M. G. Road (North), **Kochi - 682 035.** **MAHARASHTRA :** Ground Floor, Rajabahadur Compound, Opp. Allahabad Bank, Behind ICICI Bank, 30, Mumbai Samachar Marg, Fort, **Mumbai - 400 023.** 145 Lendra Park, Behind Shabari, New Ramdaspath, **Nagpur - 440 010.** Nirmiti Eminence, Off No. 6, 1st Floor, Opp. Abhishek Hotel, Mehendale Garage Road, Erandawane, **Pune - 411 004.** **MADHYA PRADESH:** Plot No. 10, 2nd Floor, Alankar Complex, Near ICICI Bank, M. P. Nagar, Zone II, **Bhopal - 462 011.** 101, Shalimar Corporate Centre, 8-B, South Tukoganj, Opp. Green Park, **Indore - 452 001.** **NEW DELHI :** 304-305, III Floor, Kanchenjunga Building, 18, Barakhamba Road, **New Delhi - 110 001.** **ORISSA :** Plot No. - 111, Varaha Complex Building, 3rd Floor, Station Square, Kharvel Nagar, Unit 3, **Bhubaneswar - 751 001.** **PUNJAB :** Deepak Towers, SCO 154-155, 1st Floor, Sector 17-C, **Chandigarh - 160 017.** Shop no. 20-21 (Ground Floor), Prince Market, Near Traffic Lights, Sarabha Nagar Pulli, Pakhowal Road, P.O: Model Town, **Ludhiana - 141 002.** • **RAJASTHAN:** G-III, Park Saroj, Behind Ashok Nagar Police Station, R-7, Yudhisthir Marg, C-Scheme, **Jaipur - 302 001.** 1/5, Nirmal Tower, 1st Chopasani Road, **Jodhpur - 342 003.** **TAMIL NADU :** 66, Lokmanya Street (West), Ground Floor, R. S. Puram, **Coimbatore - 641 002.** 178/10, Kodambakkam High Road, Opp. Hotel Palm Grove, Nungambakkam, **Chennai - 600 034.** **UTTAR PRADESH:** 106 - 107 - 108, 1st Floor, IInd Phase, City Centre, 63/2, The Mall, **Kanpur - 208 001.** C-81, 1st floor, Sector - 2, **Noida - 201 301.** Off# 4, 1st Floor, Centre Court, 5, Park Road, Hazratganj, **Lucknow - 226 001.** **WEST BENGAL :** 2nd Floor, Saket Building, 44 Park Street, **Kolkata - 700 016**

CAMS – OFFICIAL POINTS OF ACCEPTANCE OF TRANSACTIONS (CONTD.)

B. List of Transaction Points of Computer Age Management Services Pvt. Ltd. (CAMS), Registrar & Transfer Agents of HDFC Mutual Fund. These Transaction Points will be in addition to the existing points of acceptance at the offices of HDFC Asset Management Company Ltd. (Investor Service Centres for HDFC Mutual Fund)

ANDHRA PRADESH : 15-570-33, I Floor, Pallavi Towers, **Ananthapur - 515 001**. D. No. 5-38-44, 5/1, Brodipet, Near Ravi Sankar Hotel, **Guntur - 522 002**. Bandi Subbaramaiah Complex, Door No: 3/1718, Shop No: 8, Raja Reddy Street, Besides Bharathi Junior College, **Kadapa - 516 001**. No.33-1, 44 Sri Sathya Complex, Main Road, **Kakinada - 533 001**. H. No.7-1-257, Upstairs S.B.H, Mankammathota, **Karimnagar - 505 001**. H. No. 43/8, Upstairs, Uppini Arcade, N R Peta, **Kurnool - 518 004**. 9/756, 1st Floor, Immadisetty Towers, Ranganayakulapet Road, Santhapet, **Nellore - 524 001**. D. No. 7-27-4, Krishna Complex, Baruvuri Street, T. Nagar, **Rajahmundry - 533 101**. Shop No.14, Boligala Complex, 1st Floor, Door No. 18-8-41B, Near Leela Mahal Circle, Tirumala Bye Pass Road, **Tirupathi - 517 501**. 40-1-68, Rao & Ratnam Complex, Near Chennupati Petrol Pump, M. G. Road, Labbipet, **Vijayawada - 520 010**. F13, 1st Floor, BVSS Mayuri Complex, Opp. Public Garden, Lashkar Bazaar, Hanamkonda, **Warangal - 506 001**. **ASSAM** : Old Post Office Lane, Bye Lane No 1, Rehabari, **Guwahati - 781 008**. **BIHAR** : Krishna, 1st Floor, Near Mahadev Cinema, Dr. R. P. Road, **Bhagalpur - 812 002**. Brahman Toil, Durga Asthan, Gola Road, **Muzaffarpur - 842 001**. **CHHATTISGARH** : 209, Khichariya Complex, Near Nehru Nagar SQ, **Bhilai - 490 020**. Beside HDFC Bank, Link Road, **Bilaspur - 495 001**. Tel: (7752) 327 886 / 887. C-23, Sector 1, Devendra Nagar, **Raipur - 492 004**. **GOA** : Virginkar Chambers, 1st floor, Near Kamat Milan Hotel, New Market, Near Lily Garments, Old. Station Road, **Margao - 403 601**. **GUJARAT** : No. 101, A P Towers, B/H Sardar Gunj, Next to Nathwani Chambers, **Anand - 388 001**. Shop No - F -56, 1st Floor, Omkar Complex, Opp. Old Colony, Near Valia Char Rasta, GIDC, **Ankleshwar - 393002**. 305-306, Sterling Point, Waghawadi, Opp. HDFC Bank, **Bhavnagar - 364 002**. Office No. 17, 1st Floor, Municipal Bldg, Opp. Hotel Prince Station Road, **Bhuj - 370 001**. Kailash Complex, Opp. Khedut Decor, **Gondal - 360 311**. 217/218, Manek Centre, P. N. Marg, **Jamnagar - 361 001**. Circle Chowk, Near Choksi Bazar Kaman, **Junagadh - 362 001**. 1st Floor, Subhadra Complex, Urban Bank Road, **Mehsana - 384 002**. Dinesh Vasani & Associates, 103-Harekrishna Complex, Above IDBI Bank, Near Vasant Talkies, Chimnabai Road, **Navasari - 396 445**. . Gita Nivas, 3rd Floor, Opp. Head Post Office, Halar Cross Lane, **Valsad - 396 001**. 215-216, Heena Arcade, Opp. Tirupati Tower, Near G.I.D.C. Char Rasta, **Vapi - 396 195**. **HARYANA** : Opposite PEER, Bal Bhawan Road, **Ambala City - 134 003**. B-49, 1st Floor, Nehru Ground, Behind Anupam Sweet House, NIT, **Faridabad - 121 001**. SCO - 16, First Floor, Sector - 14, **Gurgaon - 122 001**. 12, Opp. Bank of Baroda, Red Square Market, **Hisar - 125 001**. 83, Devi Lal Shopping Complex, Opp ABN AMRO Bank, G. T. Road, **Panipat - 132 103**. 205, 2nd Floor, Bldg No. 2, Munjal Complex, Delhi Road, **Rohtak - 124 001**. 124 - B / R, Model Town, **Yamuna Nagar - 135 001**. **HIMACHAL PRADESH** : 1st Floor, Opp. Panchayat Bhawan Main Gate, Bus Stand, **Shimla - 171 001**. **JAMMU & KASHMIR** : JRDS Heights, Lane Opp. S&S Computers, Near RBI Building, Sector 14, Nanak Nagar, , **Jammu - 180 004**. **JHARKHAND** : Mazzanine Floor, F-4, City Centre Sector 4, Bokaro Steel City, **Bokaro - 827 004**. S. S. M. Jalan Road, Ground Floor, Opp. Hotel Ashoke, Caster Town, **Deoghar - 814 112**. Urmila Towers, Room No. 111, 1st Floor, Bank More, **Dhanbad - 826 001**. Municipal Market, Annanda Chowk, **Hazaribagh - 825 301**. 4, HB Road No. 206, 2nd Floor, Shri Lok Complex, **Ranchi - 834 001**. **KARNATAKA** : 1st Floor, 221/2A/1B, Vaccine Depot Road, Near 2nd Railway gate, Tilakwadi, **Belgaum - 590 006**. # 60/5, Mullangi Compound, Gandhinagar Main Road, (Old Gopalswamy Road), **Bellary - 583 101**. #13, 1st Floor, Akkamahadevi Samaj Complex, Church Road, P J Extension, **Davangere - 577 002**. No. 204 - 205, 1st Floor, 'B' Block, Kundagol Complex, Opp. Court, Club Road, **Hubli - 580 029**. No.3, 1st Floor, CH.26, 7th Main, 5th Cross (Above Trishakthi Medicals) Saraswati Puram, **Mysore - 570 009**. Nethravathi, Near Gutti Nursing Home, Kuvempu Road, **Shimoga - 577 201**. **KERALA** : Doctor's Tower Building, 1st Floor, Door No. 14/2562, North of Iorn Bridge, Near Hotel Arcadia Regency, **Alleppey - 688 001**. Room No. 14/435, Casa Marina Shopping Centre, Talap, **Kannur - 670 004**. Kochupilamoodu Junction, Near VLC, Beach Road, **Kollam - 691 001**. Building No.: KMC IX / 1331 A, Opp. Malayala Manorama, Railway Station Road, Thekkummoottil, **Kottayam - 686 001**. 29/97G, 2nd Floor, Gulf Air Building, rayidathupalam, Mavoor Road, **Kozhikode - 673 016**. 10 / 688, Sreedevi Residency, Mettupalayam Street, **Palakkad - 678 001**. Room No. 26 & 27, Dee Pee Plaza, Kokkalai, **Thrissur - 680 001**. R. S. Complex, Opp. LIC Building, Pattom, P.O., **Trivandrum - 695 004**. Central Tower, Above Indian Bank, Cross Junction, **Thiruvalla - 689 101**. **MADHYA PRADESH** : G-6, Global Apartment, Phase-II, Opposite Income Tax Office, Kailash Vihar City Centre, **Gwalior - 474 011**. 8, Ground Floor, Datt Towers, Behind Commercial Automobiles, Napier Town, **Jabalpur - 482 001**. **MAHARASHTRA** : Opp. RLT Science College, Civil Lines, **Akola - 444 001**. 81, Gulsham Tower, Near Panchsheel, **Amaravati - 444 601**. Office No. 1, 1st Floor, Amodi Complex, Juna Bazar, **Aurangabad - 431 001**. 70, Navipeth, Opp. Old Bus Stand, **Jalgaon - 425 001**. 2 B, 3rd Floor, Ayodhya Towers, Station Road, **Kolhapur - 416 001**. Ruturang Bungalow, 2, Godavari Colony, Behind Big Bazar, Near Boys Town School, Off College Road, **Nasik - 422 005**. 117 / A / 3 / 22, Shukrawar Peth, Sargam Apartment, **Satara - 415 002**. Flat No 109, 1st Floor, A Wing, Kalyani Tower, 126 Siddheshwar Peth, Near Pangal High School, **Solapur - 413 001**. 3rd Floor, Nalanda Chambers, "B" Wing, Gokhale Road, Near Hanuman Temple, Naupada, **Thane (W) - 400 602**. **ORISSA** : B. C. Sen Road, **Balasore - 756 001**. Gandhi Nagar Main Road, 1st Floor, Upstairs of Aroon Printers, **Berhampur - 760 001**. Near Indian Overseas Bank, Cantonment Road, Mala Math, **Cuttack - 753 001**. 1st Floor, Mangal Bhawan, Phase II, Power House Road, **Rourkela - 769 001**. Opp. Town High School, Sansarak, **Sambalpur - 768 001**. **PONDICHERRY** : S-8, 100, Jawaharlal Nehru Street, (New Complex, Opp. Indian Coffee House), **Pondicherry - 605 001**. **PUNJAB** : SCO - 18J, 'C' Block Ranjit Avenue **Amritsar - 143 001**. 2907 GH, GT Road, Near Zilla Parishad, **Bhatinda - 151 001**. 367/8, Central Town, Opp. Gurudwara Diwan Asthan, **Jalandhar - 144 001**. 35, New Lal Bagh Colony, **Patiala - 147 001**. **RAJASTHAN** : AMC No. 423/ 30, Near Church, Brahmपुरi, Opposite T B Hospital, Jaipur Road, **Ajmer - 305 001**. 256 - A, Scheme No. 1, Arya Nagar, **Alwar - 301 001**.

CAMS – OFFICIAL POINTS OF ACCEPTANCE OF TRANSACTIONS (CONTD.)

Indraprastha Tower, Shop Nos. 209 - 213, Second Floor, Shyam Ki Sabji Mandi, Near Mukharji Garden, **Bhilwara - 311 001**. F 4, 5, Bothra Complex, Modern Market, **Bikaner - 334 001**. B-33 'Kalyan Bhawan', Triangle Part, Vallabh Nagar, **Kota - 324 007**. 18 L Block, **Sri Ganganagar - 335 001**. 32, Ahinsapuri, Fatehpura Circle, **Udaipur - 313 004**. **TAMILNADU** : Ground Floor, 148, Old Mahabalipuram Road, Okkiyam, Thuraiyakkam, **Chennai - 600 097**. 171-E, Sheshaiyer Complex, First Floor, Agraharam Street, **Erode - 638 001**. 126 GVP Towers, Kovai Road, Basement of Axis Bank, **Karur - 639 002**. Jailani Complex, 47, Mutt Street, **Kumbakonam - 612 001**. 86/71-A, Tamil Sangam Road, **Madurai - 625 001**. No. 2, 1st Floor, Vivekanand Street, New Fairland, **Salem - 636 016**. 1st Floor, Mano Prema Complex, 182/6, S.N. High Road, **Tirunelveli - 627 001**. No. 1 (1), Binny Compound, 2nd Street, Kumaran Road, **Tiruppur - 641 601**. No. 8, 1st Floor, 8th Cross West Extn., Thillainagar, **Trichy - 620 018**. No. 54, 1st Floor, Pillaiyar Koil Street, Thottapalayam, **Vellore - 632 004**. **TRIPURA** : Krishnanagar, Advisor Chowmuhan (Ground Floor), **Agartala - 799 001**. **UTTAR PRADESH** : No. 8, II Floor, Maruti Tower, Sanjay Place, **Agra - 282 002**. City Enclave, Opp. Kumar Nursing Home, Ramghat Road, **Aligarh - 202 001**. 30/2, A&B, Civil Lines Station, Besides Vishal Mega Mart, Strachey Road, **Allahabad - 211 001**. F-62, 63, IInd Floor, Butler Plaza Commercial Complex, Civil Lines, **Bareilly - 243 001**. 113/6 I Floor, Navyug Market, **Ghaziabad - 201 002**. Shop No. 3, 2nd Floor, Cross Road, A. D. Chowk Bank Road, **Gorakhpur - 273001**. Opp. SBI Credit Branch, Babu Lal Karkhana Compound, Gwalior Road, **Jhansi - 284 001**. B-612 'Sudhakar', Lajpat Nagar, **Moradabad - 244 001**. 108, Ist Floor, Shivam Plaza, Opposite Eves Cinema, Hapur Road, **Meerut - 250 002**. I Floor, Krishna Complex, Opp. Hathi Gate, Court Road, **Saharanpur - 247 001**. C-28/142 - 2A, Near Teliya Bagh Crossing, Teliya Bagh, **Varanasi - 221 002**. **UTTARANCHAL** : 204/121, Nari Shilp Mandir Marg, Old Connaught Place, **Dehradun - 248 001**. **WEST BENGAL** : Block - G, 1st Floor, P C Chatterjee Market Complex, Rambandhu Talab, P. O. Ushagram, **Asansol - 713 303**. 399, G T Road, Opposite of Talk of the Town, **Burdwan - 713 101**. City Plaza Building, 3rd Floor, City Centre, **Durgapur - 713 216 A** - 1/50, Block - A, **Kalyani - 741 235**. Shivhare Niketan, H. No. 29/11, Ward No. 15, Malancha Main Road, Opposite UCO Bank, **Kharagpur - 721 301**. No. 7, Swamiji Sarani, Ground Floor, Hakimpara, **Siliguri - 734 001**.

C. List of Limited Transaction Points (LTPs) of Computer Age Management Services Pvt. Ltd. (CAMS), Registrar & Transfer Agents of HDFC Mutual Fund. These LTPs of CAMS will be the official points of acceptance of transactions for schemes of HDFC Mutual Fund except purchase transactions of Liquid Schemes / Plans viz. HDFC Liquid Fund, HDFC Liquid Fund - Premium Plan and Premium Plus Plan and HDFC Cash Management Fund - Savings Plan & Call Plan. These LTPs will accept transaction / service requests from Monday to Friday between 12 p.m. and 3 p.m. only.

ANDHRA PRADESH : Shop No: 11 - 2 - 31/3, 1st Floor, Philips Complex, Balajinagar, Wyra Road, Near Baburao Petrol Bunk, **Khammam - 507 001**. Door No. 4 - 1 - 62, Adjacent to Idea Show Room, Palakonda Road, **Srikakulam - 532 001**. **BIHAR** : Shahi Complex, 1st Floor, Near RB Memorial hospital, V.I. P. Road, Benta, Laheriasarai, **Darbhanga - 846 001**. **GOA** : Office No. CF-8, 1st Floor, Business Point, Above Bicholim Urban Co-op Bank Ltd, Angod, **Mapusa - 403 507**. No. DU 8, Upper Ground Floor, Behind Techoclean Clinic, Suvidha Complex, Near ICICI Bank, Vasco da Gama - 403 802 Tel. No : (0832) 3251755 / 640. **GUJARAT** : F-108, Rangoli Complex, Station Road, Bharuch - 392 001. Tel: 9825304183. Plot No. 261, 1st Floor, Sector 1A, Om Mandap Galli, **Gandhidham - 370 201**. D-78, First Floor, New Durga Bazar, Near Railway Crossing, **Himmatnagar - 383 001**. 8, Ravi Kiran Complex, Ground Floor, Nanakumbhnath Road, **Nadiad - 387 001**. Jyotindra Industries Compound, Near Vinayak Party Plot, Deesa Road, **Palanpur - 385 001**. 2 M I Park, Near Commerce College, Wadhwan City, **Surendranagar - 363 035**. 10/11, Maruti Complex, Opp. B R Marbles, Highway Road, **Unjha - 384 170**. Tel: (02762) 323 985 / 117. **HARYANA** : 7, 1st Floor, Kunjapura Road, Opp Bata Showroom, **Karnal - 132 001**. Tel: 09813999809 Gali No.1, Old Court Road, Near Railway Station Crossing, **Sirsa - 125 055**. **HIMACHAL PRADESH**: 1st Floor, Above Sharma General Store, Near Sanki Rest house, The Mall, **Solan - 173 212**. **KARNATAKA**: Pal Complex, 1st Floor, Opp. City Bus Stop, Super Market, **Gulbarga - 585 101**. Trade Centre, 2nd Floor, Syndicate Circle, Starting Point, **Manipal - 576 104**. **MADHYA PRADESH** : Office No. 1, Parasias Road, Near Mehta Colony, **Chhindwara - 480 001**. 1st Floor, Gurunanak Dharmakanta, Jabalpur Road, Bargawan, **Katni - 483501**. 18, Ram Bagh, Near Scholar's School, **Ratlam - 457 001**. Opp. Somani Automoblies, Bhagwanganj, **Sagar - 470 002**. 123, 1st Floor, Siddhi Vinayaka Trade Centre, Saheed Park, **Ujjain - 456 010**. **MAHARASHTRA** : 203-A, Mutha Chambers, Old Vasant Talkies, Market Yard Road, **Ahmednagar - 414 001**. 3, Adelaide Apartment, Christian Mohala, Behind Gulshan-E-Iran Hotel, Amardeep Talkies Road, **Bhusawal - 425 201**. H. No. 1793 / A, J.B. Road, Near Tower Garden, **Dhule - 424 001**. Shop No.6, Ground Floor, Anand Plaza Complex, Bharat Nagar, Shivaji Putla Road, **Jalna - 431 203**. CTS No 411, Citipoint, Gundivali, Teli Gali, Above C.T. Chatwani Hall, Andheri (E), Mumbai - 400 069. Andheri (E), **Mumbai - 400 069**. Kohinoor Complex, Near Natya Theatre, Nachane Road, **Ratnagiri - 415 639**. Diwan Niketan, 313, Radhakrishna Vasahat, Opp. Hotel Suruchi, Near S.T. Stand, **Sangli - 416 416**. Pushpam, Tilakwadi, Opp. Dr. Shrotri Hospital, **Yavatmal - 445 001**. **PUNJAB** : Near Archies Gallery, Shimla Pahari Chowk, **Hoshiarpur - 146 001**. Ground Floor, Adjoining TATA Indicom Office, Dutta Road, **Moga - 142 001**. **RAJASTHAN** : 3 Ashok Nagar, Near Heera Vatika, **Chittorgarh - 312 001**. **TAMIL NADU** : 16A/63A, Pidamaneri Road, Near Indoor Stadium, **Dharmapuri - 636 701**. Shop No. 8, J. D. Plaza, Opp. TNEB Office, Royakotta Road, **Hosur - 635 109** (Outstation Cheques will be accepted). 156A / 1, First Floor, Lakshmi Vilas Building, Opp. to District Registrar Office, Trichy Road, **Namakkal - 637 001**. D. No. 59A/1, Railway Feeder Road, (Near Railway Station), **Rajapalayam - 626 117**. 1-A/25, 1st Floor, Eagle Book Centre Complex, Chidambaram Nagar Main, Palayamkottai Road, **Tuticorin - 628 008**. **UTTARAKHAND** : Durga City Centre, Nainital Road, **Haldwani - 263 139**. 22 Civil Lines, Ground Floor, Hotel Krish Residency, **Roorkee - 247 667**. **UTTAR PRADESH** : Office No. 3, 1st Floor, Jamia Shopping Complex, Opposite Pandey School, Station Road, **Basti - 272 002**. 64, Cantonment, Near GPO, **Faizabad - 224 001**. 248, Fort Road, Near Amber Hotel, **Jaunpur - 222 001**. 159 / 160, Vikas Bazar, **Mathura - 281 001**. 17, Anand Nagar Complex, **Rae**

CAMS – OFFICIAL POINTS OF ACCEPTANCE OF TRANSACTIONS (CONTD.)

Bareilly - 229 001. Bijlipura, Near Old District Hospital, Jail Road, **Shahjahanpur - 242 001.** Arya Nagar, Near Arya Kanya School, **Sitapur - 261 001.** 967, Civil Lines, Near Pant Stadium, **Sultanpur - 228 001.** **WEST BENGAL :** 2nd Floor, New Market Complex, Durgachak Post Office, Purba Medinipur District, **Haldia - 721 602.** 33, C.R Avenue, 2nd floor, Room No.13, Kolkata - 700 012. 148, Jessore Road, Block –B, 2nd Floor, Kestopur, **Kolkata -700 074.** Daxhinapan Abasan, Opp Lane of Hotel Kalinga, SM Pally, **Malda - 732 101.**

OFFICIAL POINT OF ACCEPTANCE FOR TRANSACTIONS IN ELECTRONIC FORM

Investors can undertake any transaction, including purchase / redemption / switch and avail of any services as may be provided by AMC from time to time through the online/electronic modes/ sources like its official website - www.hdfcfund.com, mobile handsets, etc. Additionally, this will also cover transactions submitted in electronic mode, including through secured internet sites operated by CAMS, by specified banks, financial institutions, distributors etc., on behalf of investors, with whom AMC has entered or may enter into specific arrangements. The servers (maintained at various locations) of HDFC Asset Management Company Limited (AMC) and CAMS will be the official point of acceptance for all such online / electronic transaction facilities offered by the AMC.

AMFI CERTIFIED STOCK EXCHANGE BROKERS/ CLEARING MEMBERS /DEPOSITORY PARTICIPANTS# AS OFFICIAL POINTS OF ACCEPTANCE FOR TRANSACTIONS (PURCHASE/ REDEMPTION) OF UNITS OF HDFC MUTUAL FUND SCHEMES THROUGH THE STOCK EXCHANGE(S) INFRASTRUCTURE

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

The eligible AMFI certified stock exchange Brokers/ Clearing Members/ Depository Participants who have complied with the conditions stipulated in SEBI Circular No. SEBI /IMD / CIR No.11/183204/2009 dated November 13, 2009 for stock brokers viz. AMFI/ NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund will be considered as Official Points of Acceptance (OPA) of the Mutual Fund.



HDFC ASSET MANAGEMENT COMPANY LIMITED

A Joint Venture with Standard Life Investments Limited

Registered Office :

Ramon House, 3rd Floor, H.T. Parekh Marg,
169, Backbay Reclamation, Churchgate, Mumbai 400 020
Tel.: 022-66316333 • Toll Free no. 1800 233 6767 • Fax : 022-22821144
e-mail for Investors: cliser@hdfcfund.com
e-mail for Distributors: broser@hdfcfund.com

website : www.hdfcfund.com

COMBINED SCHEME INFORMATION DOCUMENT



HDFC Growth Fund
Open-ended Growth Scheme

HDFC Equity Fund
Open-ended Growth Scheme

HDFC Top 200 Fund
Open-ended Growth Scheme

HDFC Capital Builder Fund
Open-ended Growth Scheme

HDFC Core & Satellite Fund
Open-ended Growth Scheme

HDFC Premier Multi-Cap Fund
Open-ended Growth Scheme

HDFC Mid-Cap Opportunities Fund
Open-ended Equity Scheme

HDFC Long Term Equity Fund
Open-ended Equity Scheme

HDFC Infrastructure Fund
Open-ended Equity Scheme

HDFC Arbitrage Fund
Open-ended Equity Fund

HDFC Index Fund
Open-ended Index Linked Scheme

HDFC Long Term Advantage Fund
Open-ended Equity Linked Savings Scheme with
lock-in period of 3 years

HDFC TaxSaver
Open-ended Equity Linked Savings Scheme with
lock-in period of 3 years

HDFC Balanced Fund
Open-ended Balanced Scheme

HDFC Prudence Fund
Open-ended Balanced Scheme

Continuous Offer of Units at Applicable NAV

Name of Mutual Fund : **HDFC Mutual Fund**

Name of Asset Management Company : **HDFC Asset Management Company Limited**

Name of Trustee Company : **HDFC Trustee Company Limited**

Addresses, Website of the entities:

Address:

Asset Management Company (AMC) :

HDFC Asset Management Company Limited
A Joint Venture with Standard Life Investments Limited
Registered Office :
Ramon House, 3rd Floor, H. T. Parekh Marg,
169, Backbay Reclamation, Churchgate, Mumbai 400 020.

Trustee Company :

HDFC Trustee Company Limited
Registered Office :
Ramon House, 3rd Floor, H. T. Parekh Marg,
169, Backbay Reclamation, Churchgate, Mumbai 400 020.

Website:

www.hdfcfund.com

The particulars of the Scheme(s) have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

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

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

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

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated April 30, 2012.

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HIGHLIGHTS/SUMMARY OF THE SCHEME(S)

Name of the Scheme	HDFC Growth Fund (HGF)	HDFC Equity Fund (HEF)	HDFC Top 200 Fund (HT200)	HDFC Capital Builder Fund (HCBF)
Investment Objective	To generate long term capital appreciation from a portfolio that is invested predominantly in equity and equity related instruments.	To achieve capital appreciation.	To generate long term capital appreciation from a portfolio of equity and equity linked instruments. The investment portfolio for equity and equity linked instruments will be primarily drawn from the companies in the BSE 200 Index.	To achieve capital appreciation in the long term.
Liquidity	The Scheme(s) being offered are open-ended scheme(s) and will offer Units for Sale / Switch-in and Redemption / Switch-out (subject to completion of Lock-in Period, if any) , on every Business Day at NAV based prices. As per SEBI (MF) Regulations, the Mutual Fund shall despatch redemption proceeds within 10 Business Days from the date of redemption. A penal interest of 15% p.a. or such other rate as may be prescribed by SEBI from time to time, will be paid in case the payment of redemption proceeds is not made within 10 Business Days from the date of redemption. However under normal circumstances, the Mutual Fund would endeavour to pay the redemption proceeds within 3-4 Business Days (as applicable) from the date of redemption. Please refer to section ' Redemption ' on Page 62 and 83 for details.			
Benchmark	SENSEX	S&P CNX 500	BSE 200	S&P CNX 500
Transparency / NAV Disclosure	<p>The AMC will calculate and disclose the NAVs of the Scheme(s) at the close of every Business Day and release to the Press, News Agencies and the Association of Mutual Funds of India (AMFI) except in special circumstances described in 'Suspension of Sale / Redemption / Switching of Options of the Units' under section 'Restrictions, if any, on the right to freely retain or dispose of units being offered' on Page 61. NAVs will also be displayed on the website of the Mutual Fund. In addition, the ISCs would also display the NAVs.</p> <p>The AMC shall update the NAVs on the website of the Mutual Fund (www.hdfcfund.com) and on the website of Association of Mutual Funds in India - AMFI (www.amfiindia.com) by 9.00 p.m. on every Business Day. In case of any delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAVs.</p> <p>The AMC may disclose details of the portfolio of the Scheme(s) on a monthly basis on its website or at such frequency as may be decided by the Trustee / AMC from time to time. As presently required by the SEBI (MF) Regulations, a complete statement of the Scheme portfolio would be published by the Mutual Fund as an advertisement in one English daily Newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated within one month from the close of each half year (i.e. March 31 & September 30) or mailed to the Unit holders.</p>			
Loads (For Lumpsum Purchases and Investments through SIP/STP)	<p>Entry Load: Not Applicable.</p> <p>Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder.</p> <p>Exit Load:</p> <ul style="list-style-type: none"> ● In respect of each purchase / switch-in of units, an Exit Load of 1.00% is payable if Units are redeemed / switched-out within 1 year from the date of allotment. ● No Exit Load is payable if Units are redeemed / switched-out after 1 year from the date of allotment. <p>No Entry / Exit Load shall be levied on bonus units and units allotted on dividend reinvestment.</p> <p>For further details on load structure refer to the section 'Load Structure' on Page 92.</p>			
Minimum Application Amount (under each Plan / Option)	<p>Purchase: ₹ 5,000 and any amount thereafter.</p> <p>Additional Purchase: ₹ 1,000 and any amount thereafter.</p>			

HIGHLIGHTS/SUMMARY OF THE SCHEME(S) (CONTD.)

Name of the Scheme	HDFC Core & Satellite Fund (HC&SF)	HDFC Premier Multi-Cap Fund (HPMCF)	HDFC Mid-Cap Opportunities Fund (HMCOF)	HDFC Long Term Equity Fund (HLTEF)
Investment Objective	To generate capital appreciation through equity investment in companies whose shares are quoting at prices below their true value.	To generate capital appreciation in the long term through equity investments by investing in a diversified portfolio of Mid Cap and Large Cap 'blue chip' companies.	To generate long-term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities of Small and Mid-Cap companies.	To achieve long term capital appreciation.
Liquidity	The Scheme(s) being offered are open-ended scheme(s) and will offer Units for Sale / Switch-in and Redemption / Switch-out (subject to completion of Lock-in Period, if any) , on every Business Day at NAV based prices. As per SEBI (MF) Regulations, the Mutual Fund shall despatch redemption proceeds within 10 Business Days from the date of redemption. A penal interest of 15% p.a. or such other rate as may be prescribed by SEBI from time to time, will be paid in case the payment of redemption proceeds is not made within 10 Business Days from the date of redemption. However under normal circumstances, the Mutual Fund would endeavour to pay the redemption proceeds within 3-4 Business Days (as applicable) from the date of redemption. Please refer to section ' Redemption ' on Page 62 and 83 for details.			
Benchmark	BSE 200	S&P CNX 500	CNX Midcap Index	S&P CNX Nifty
Transparency / NAV Disclosure	<p>The AMC will calculate and disclose the NAVs of the Scheme(s) at the close of every Business Day and release to the Press, News Agencies and the Association of Mutual Funds of India (AMFI) except in special circumstances described in 'Suspension of Sale / Redemption / Switching of Options of the Units' under section 'Restrictions, if any, on the right to freely retain or dispose of units being offered' on Page 61. NAVs will also be displayed on the website of the Mutual Fund. In addition, the ISCs would also display the NAVs.</p> <p>The AMC shall update the NAVs on the website of the Mutual Fund (www.hdfcfund.com) and on the website of Association of Mutual Funds in India - AMFI (www.amfiindia.com) by 9.00 p.m. on every Business Day. In case of any delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAVs.</p> <p>The AMC may disclose details of the portfolio of the Scheme(s) on a monthly basis on its website or at such frequency as may be decided by the Trustee / AMC from time to time. As presently required by the SEBI (MF) Regulations, a complete statement of the Scheme portfolio would be published by the Mutual Fund as an advertisement in one English daily Newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated within one month from the close of each half year (i.e. March 31 & September 30) or mailed to the Unit holders.</p>			
Loads (For Lumpsum Purchases and Investments through SIP/STP)	<p>Entry Load: Not Applicable.</p> <p>Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder.</p> <p>Exit Load:</p> <ul style="list-style-type: none"> ● In respect of each purchase / switch-in of units, an Exit Load of 1.00% is payable if Units are redeemed / switched-out within 1 year from the date of allotment. ● No Exit Load is payable if Units are redeemed / switched-out after 1 year from the date of allotment. <p>No Entry / Exit Load shall be levied on bonus units and units allotted on dividend reinvestment.</p> <p>For further details on load structure refer to the section 'Load Structure' on Page 92.</p>			
Minimum Application Amount (under each Plan / Option)	<p>Purchase: ₹ 5,000 and any amount thereafter.</p> <p>Additional Purchase: ₹ 1,000 and any amount thereafter.</p>			

HIGHLIGHTS/SUMMARY OF THE SCHEME(S) (CONTD.)

Name of the Scheme	HDFC Infrastructure Fund (HINF)	HDFC Arbitrage Fund (HAF)	HDFC Index Fund
Investment Objective	To seek long-term capital appreciation by investing predominantly in equity and equity related securities of companies engaged in or expected to benefit from the growth and development of infrastructure.	To generate income through arbitrage opportunities between cash and derivative market and arbitrage opportunities within the derivative segment and by deployment of surplus cash in debt securities and money market instruments.	<p>HDFC Index Fund: The Scheme offers investors 3 Plans, each with its own NAV, namely the:</p> <ul style="list-style-type: none"> ● Nifty Plan ● SENSEX Plan ● SENSEX Plus Plan <p>Nifty Plan: The objective of this Plan is to generate returns that are commensurate with the performance of the Nifty, subject to tracking errors.</p> <p>SENSEX Plan: The objective of this Plan is to generate returns that are commensurate with the performance of the SENSEX, subject to tracking errors.</p> <p>SENSEX Plus Plan: The objective of this Plan is to invest 80 to 90% of the net assets of the Plan in companies whose securities are included in SENSEX and between 10% & 20% of the net assets in companies whose securities are not included in the SENSEX.</p>
Liquidity	The Scheme(s) being offered are open-ended scheme(s) and will offer Units for Sale / Switch-in and Redemption / Switch-out (subject to completion of Lock-in Period, if any) , on every Business Day at NAV based prices. As per SEBI (MF) Regulations, the Mutual Fund shall despatch redemption proceeds within 10 Business Days from the date of redemption. A penal interest of 15% p.a. or such other rate as may be prescribed by SEBI from time to time, will be paid in case the payment of redemption proceeds is not made within 10 Business Days from the date of redemption. However under normal circumstances, the Mutual Fund would endeavour to pay the redemption proceeds within 3-4 Business Days (as applicable) from the date of redemption. Please refer to section ' Redemption ' on Page 62 and 83 for details.		
Benchmark	S&P CNX 500	CRISIL Liquid Fund Index	<ul style="list-style-type: none"> ● SENSEX Plan: SENSEX (Total Returns Index) ● Nifty Plan: S&P CNX Nifty (Total Returns Index) ● SENSEX Plus Plan: SENSEX (Total Returns Index)
Transparency / NAV Disclosure	<p>The AMC will calculate and disclose the NAVs of the Scheme(s) at the close of every Business Day and release to the Press, News Agencies and the Association of Mutual Funds of India (AMFI) except in special circumstances described in 'Suspension of Sale / Redemption / Switching of Options of the Units' under section 'Restrictions, if any, on the right to freely retain or dispose of units being offered' on Page 61. NAVs will also be displayed on the website of the Mutual Fund. In addition, the ISCs would also display the NAVs.</p> <p>The AMC shall update the NAVs on the website of the Mutual Fund (www.hdfcfund.com) and on the website of Association of Mutual Funds in India - AMFI (www.amfiindia.com) by 9.00 p.m. on every Business Day. In case of any delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAVs.</p> <p>The AMC may disclose details of the portfolio of the Scheme(s) on a monthly basis on its website or at such frequency as may be decided by the Trustee / AMC from time to time. As presently required by the SEBI (MF) Regulations, a complete statement of the Scheme portfolio would be published by the Mutual Fund as an advertisement in one English daily Newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated within one month from the close of each half year (i.e. March 31 & September 30) or mailed to the Unit holders.</p>		

HIGHLIGHTS/SUMMARY OF THE SCHEME(S) (CONTD.)

Name of the Scheme	HDFC Infrastructure Fund (HINF)	HDFC Arbitrage Fund (HAF)	HDFC Index Fund
Loads (For Lumpsum Purchases and Investments through SIP/STP)	<p>Entry Load: Not Applicable.</p> <p>Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder.</p>		
	<p>Exit Load:</p> <ul style="list-style-type: none"> In respect of each purchase / switch-in of units, an Exit Load of 1.00% is payable if Units are redeemed / switched-out within 1 year from the date of allotment. No Exit Load is payable if Units are redeemed / switched-out after 1 year from the date of allotment. 	<p>Exit Load:</p> <ul style="list-style-type: none"> In respect of each purchase / switch-in of units, an Exit Load of 0.50% is payable if Units are redeemed / switched-out within 6 months from the date of allotment. No Exit Load is payable if Units are redeemed / switched-out after 6 months from the date of allotment. 	<p>Exit Load: Nil</p> <p>No Entry / Exit Load shall be levied on bonus units.</p>
	<p>No Entry / Exit Load shall be levied on bonus units and units allotted on dividend reinvestment.</p> <p>For further details on load structure refer to the section 'Load Structure' on Page 92.</p>		
Minimum Application Amount (under each Plan / Option)	<p>Purchase: ₹ 5,000 and any amount thereafter.</p> <p>Additional Purchase: ₹ 1,000 and any amount thereafter.</p>	<p>Wholesale Plan: Purchase/ Additional Purchase: Growth/Quarterly Dividend Option: ₹ 1 crore and any amount thereafter.</p> <p>Retail Plan: Purchase/ Additional Purchase: Growth / Quarterly Dividend Option : ₹ 5,000 and any amount thereafter.</p>	<p>Purchase: ₹ 5,000 and any amount thereafter.</p> <p>Additional Purchase: ₹ 1,000 and any amount thereafter.</p> <p>Important Note:All applications for purchase of units including additional purchases for an amount of ₹ 5 Lakhs and above will be accepted with payment mode only as Real Time Gross Settlement (RTGS) /National Electronic Funds Transfer (NEFT)/ Funds Transfer Letter/ Transfer Cheque of a bank where the Scheme has a collection account.</p> <p>Any application for an amount of ₹ 5 Lakhs and above with payment mode other than the above will be rejected.</p>

HIGHLIGHTS/SUMMARY OF THE SCHEME(S) (CONTD.)

Name of the Scheme	HDFC Long Term Advantage Fund (HLTAF) (Open-ended equity linked savings scheme with a lock-in period of 3 years)	HDFC TaxSaver (HTS) (Open-ended equity linked savings scheme with a lock-in period of 3 years)	HDFC Balanced Fund (HBF)	HDFC Prudence Fund (HPF)
Investment Objective	To generate long term capital appreciation from a portfolio that is invested predominantly in equity and equity related instruments.	To achieve long term growth of capital.	To generate capital appreciation along with current income from a combined portfolio of equity & equity related and debt and money market instruments.	To provide periodic returns and capital appreciation over a long period of time, from a judicious mix of equity and debt investments, with the aim to prevent / minimise any capital erosion.
Liquidity	The Scheme(s) being offered are open-ended scheme(s) and will offer Units for Sale / Switch-in and Redemption / Switch-out (subject to completion of Lock-in Period, if any) , on every Business Day at NAV based prices. As per SEBI (MF) Regulations, the Mutual Fund shall despatch redemption proceeds within 10 Business Days from the date of redemption. A penal interest of 15% p.a. or such other rate as may be prescribed by SEBI from time to time, will be paid in case the payment of redemption proceeds is not made within 10 Business Days from the date of redemption. However under normal circumstances, the Mutual Fund would endeavour to pay the redemption proceeds within 3-4 Business Days (as applicable) from the date of redemption. Units of HDFC Long Term Advantage Fund and HDFC TaxSaver (including units allotted under dividend re-investment) cannot be assigned / transferred / pledged / redeemed / switched-out until completion of three years from the date of allotment of the respective Units. Please refer to section 'Redemption' on Page 62 and 83 for details.			
Benchmark	SENSEX	S&P CNX 500	CRISIL Balanced Fund Index	CRISIL Balanced Fund Index
Transparency / NAV Disclosure	<p>The AMC will calculate and disclose the NAVs of the Scheme(s) at the close of every Business Day and release to the Press, News Agencies and the Association of Mutual Funds of India (AMFI) except in special circumstances described in 'Suspension of Sale / Redemption / Switching of Options of the Units' under section 'Restrictions, if any, on the right to freely retain or dispose of units being offered' on Page 61. NAVs will also be displayed on the website of the Mutual Fund. In addition, the ISCs would also display the NAVs.</p> <p>The AMC shall update the NAVs on the website of the Mutual Fund (www.hdfcfund.com) and on the website of Association of Mutual Funds in India - AMFI (www.amfiindia.com) by 9.00 p.m. on every Business Day. In case of any delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAVs.</p> <p>The AMC may disclose details of the portfolio of the Scheme(s) on a monthly basis on its website or at such frequency as may be decided by the Trustee / AMC from time to time. As presently required by the SEBI (MF) Regulations, a complete statement of the Scheme portfolio would be published by the Mutual Fund as an advertisement in one English daily Newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated within one month from the close of each half year (i.e. March 31 & September 30) or mailed to the Unit holders.</p>			

HIGHLIGHTS/SUMMARY OF THE SCHEME(S) (CONTD.)

Name of the Scheme	HDFC Long Term Advantage Fund (HLTAF) (Open-ended equity linked savings scheme with a lock-in period of 3 years)	HDFC TaxSaver (HTS) (Open-ended equity linked savings scheme with a lock-in period of 3 years)	HDFC Balanced Fund (HBF)	HDFC Prudence Fund (HPF)
Loads (For Lumpsum Purchases and Investments through SIP/STP)	<p>Entry Load: Not Applicable Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder.</p> <p>Exit Load: Nil</p> <p>No Entry / Exit Load shall be levied on bonus units and units allotted on dividend reinvestment.</p> <p>Exit Load:</p> <ul style="list-style-type: none"> ● In respect of each purchase / switch-in of units, an Exit Load of 1.00% is payable if Units are redeemed / switched-out within 1 year from the date of allotment. ● No Exit Load is payable if Units are redeemed / switched-out after 1 year from the date of allotment. <p>For further details on load structure refer to the section 'Load Structure' on Page 92.</p>			
Minimum Application Amount (under each Plan / Option)	<p>Purchase/Additional Purchase: ₹ 500 and in multiples of ₹ 500 thereafter.</p>		<p>Purchase: ₹ 5,000 and any amount thereafter. Additional Purchase: ₹ 1,000 and any amount thereafter.</p>	

APPLICABLE TO ALL SCHEMES

Dematerialization of Units	<p>The Unit holders would have an option to hold the Units in electronic (dematerialized) form or account statement (non-demat) form. Units held in Demat Form are freely transferable. The Applicant intending to hold Units in dematerialized form will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units.</p> <p>Unit holders are requested to note that request for conversion of units held in Account Statement (non-demat) form into Demat (electronic) form should be submitted to their Depository Participants.</p>
Transaction Charges	<p>In accordance with SEBI circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, HDFC Asset Management Company Limited ("the AMC")/Mutual Fund shall deduct the Transaction Charges on purchase / subscription received from the investors investing through a valid ARN Holder i.e. AMFI registered Distributor (provided the distributor has opted to receive the Transaction Charges) as under:</p> <p>(i) First Time Mutual Fund Investor (across Mutual Funds): Transaction Charge of ₹ 150/- per purchase / subscription of ₹ 10,000/- and above will be deducted from the purchase / subscription amount for payment to the distributor of such investor and the balance shall be invested.</p> <p>(ii) Investor other than First Time Mutual Fund Investor: Transaction Charge of ₹ 100/- per purchase / subscription of ₹ 10,000/- and above will be deducted from the purchase/ subscription amount for payment to the distributor of such investor and the balance shall be invested.</p> <p>TRANSACTION CHARGES IN CASE OF INVESTMENTS THROUGH SIP: Transaction Charges in case of investments through SIP are deductible only if the total commitment of investment (i.e. amount per SIP installment x No. of installments) amounts to ₹ 10,000 or more. In such cases, Transaction Charges shall be deducted in 3-4 installments.</p> <p>It may be noted that Transaction Charges shall not be deducted:</p> <ol style="list-style-type: none"> where the distributor of the investor has not opted to receive any Transaction Charges; for purchases / subscriptions / total commitment amount in case of SIP of an amount less than ₹ 10,000/-; for transactions other than purchases / subscriptions relating to new inflows i.e. through Switches / Systematic Transfers/ Dividend Transfers/ Dividend Reinvestment, etc.; for purchases / subscriptions made directly with the Fund (i.e. not through any distributor); for purchases / subscriptions routed through Stock Exchange(s) as applicable. <p>For further details on Transaction Charges, refer to the section 'Transaction Charges' on Page 91.</p>

I. INTRODUCTION

A. RISK FACTORS

■ Standard Risk Factors:

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the Scheme(s) invests fluctuates, the value of your investment in the Scheme(s) may go up or down depending on the various factors and forces affecting the capital markets and money markets.
- Past performance of the Sponsors and their affiliates / AMC / Mutual Fund does not guarantee future performance of the Scheme(s) of the Mutual Fund.
- The name of the Scheme(s) do not in any manner indicate either the quality of the Scheme(s) or their future prospects and returns.
- The Sponsors are not responsible or liable for any loss resulting from the operation of the Scheme(s) beyond the initial contribution of ₹1 lakh each made by them towards setting up the Fund.
- The present Scheme(s) are not guaranteed or assured return scheme(s).

■ Scheme Specific Risk Factors

Some of the specific risk factors related to the Scheme(s) include, but are not limited to the following:

(i) Risk factors associated with investing in equities and equity related instruments

- Equity shares and equity related instruments are volatile and prone to price fluctuations on a daily basis. Investments in equity shares and equity related instruments involve a degree of risk and investors should not invest in the Scheme(s) unless they can afford to take the risks.
- Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges. Investment in such securities may lead to increase in the scheme portfolio risk.
- While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges and may lead to the Scheme(s) incurring losses till the security is finally sold.
- Investment strategy to be adopted by the Scheme(s) may carry the risk of significant variance between the portfolio allocation of the Scheme(s) and the Benchmark particularly over a short to medium term period.

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

- The Net Asset Value (NAV) of the Scheme(s), to the extent invested in Debt and Money Market securities, will be affected by changes in the general level of interest rates. The NAV of the Scheme(s) is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.
- Money market securities, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of the Scheme(s) and may lead to the Scheme(s) incurring losses till the security is finally sold.
- Investment in Debt Securities are subject to the risk of an issuer's inability to meet interest and principal payments on

its obligations and market perception of the creditworthiness of the issuer.

- Government securities where a fixed return is offered run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. The new level of interest rate is determined by the rates at which government raises new money and/or the price levels at which the market is already dealing in existing securities. The price-risk is not unique to Government Securities. It exists for all fixed income securities. However, Government Securities are unique in the sense that their credit risk generally remains zero. Therefore, their prices are influenced only by movement in interest rates in the financial system.
- Different types of fixed income securities in which the Scheme(s) would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the Scheme(s) risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities. Further even among corporate bonds, bonds, which are AAA rated, are comparatively less risky than bonds, which are AA rated.
- The AMC may, considering the overall level of risk of the portfolio, invest in lower rated / unrated securities offering higher yields as well as zero coupon securities that offer attractive yields. This may increase the absolute level of risk of the portfolio.
- As zero coupon securities do not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio.
- Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The AMC may choose to invest in unlisted securities that offer attractive yields. This may increase the risk of the portfolio.
- Scheme's performance may differ from the benchmark index to the extent of the investments held in the debt segment, as per the investment pattern indicated under normal circumstances.
- The Scheme(s) at times may receive large number of redemption requests, leading to an asset-liability mismatch and therefore, requiring the investment manager to make a distress sale of the securities leading to realignment of the portfolio and consequently resulting in investment in lower yield instruments.

(iii) General Risk factors

- Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme(s). Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. The NAV of the Units of the Scheme(s) can go up or down because of various factors that affect the capital markets in general.

- As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or restructuring of the Scheme(s). In view of the above, the Trustee has the right, in its sole discretion, to limit redemptions (including suspending redemptions) under certain circumstances, as described on **Page 60** under **"Right to Limit Redemptions"** in Section **'Restrictions, if any, on the right to freely retain or dispose of units being offered'**.
- At times, due to the forces and factors affecting the capital market, the Scheme(s) may not be able to invest in securities falling within its investment objective resulting in holding the monies collected by it in cash or cash equivalent or invest the same in other permissible securities / investments amounting to substantial reduction in the earning capability of the Scheme(s).
- Performance of the Scheme may be affected by political, social, and economic developments, which may include changes in government policies, diplomatic conditions, and taxation policies.

(iv) Risk factors associated with investing in Foreign Securities

● **Currency Risk:**

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

● **Interest Rate Risk:**

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

● **Credit Risk:**

Investment in Foreign Debt Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer. This is substantially reduced since the SEBI (MF) Regulations stipulate investments only in debt instruments with rating not below investment grade by accredited/registered credit rating agency.

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

(v) Risk factors associated with investing in Derivatives

- The AMC, on behalf of the Scheme(s) may use various derivative products, from time to time, in an attempt to protect the value of the portfolio and enhance Unit holders' interest. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Other risks include, the risk of mispricing or improper valuation

and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.
- The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

(vi) Risk factors associated with investing in Securitised Debt

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

● **Limited Liquidity & Price Risk**

There is no assurance that a deep secondary market will develop for the Certificates. This could limit the ability of the investor to resell them.

● **Limited Recourse, Delinquency and Credit Risk**

The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and do not represent an obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts to the Certificate Holders may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of a Obligor to repay his obligation, the Servicer may repossess and sell the Asset. However many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realise the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.

● **Risks due to possible prepayments and Charge Offs**

In the event of prepayments, investors may be exposed to changes in tenor and yield. Also, any Charge Offs would result in the reduction in the tenor of the Pass Through Certificates (PTCs).

● **Bankruptcy of the Swap Bank**

If the Swap Bank, becomes subject to bankruptcy proceedings then an Investor could experience losses or delays in the payments due under the Interest Rate Swap Agreement.

● **Risk of Co-mingling**

With respect to the Certificates, the Servicer will deposit all payments received from the Obligor into the Collection Account. However, there could be a time gap between collection by a Servicer and depositing the same into the Collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the Loan Agreements may not be segregated from other funds of originator. If originator in

its capacity as Servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss.

(vii) Risk factors associated with Securities Lending

As with other modes of extensions of credit, there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary.

(viii) Risk factors associated with processing of transaction through Stock Exchange Mechanism

The trading mechanism introduced by the stock exchange(s) is configured to accept and process transactions for mutual fund units in both Physical and Demat Form. The allotment and/or redemption of Units through NSE and/or BSE or any other recognised stock exchange(s), on any Business Day will depend upon the modalities of processing viz. collection of application form, order processing/settlement, etc. upon which the Fund has no control. Moreover, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by respective recognized stock exchange(s).

(ix) Related to HDFC Long Term Advantage Fund and HDFC TaxSaver

Units of **HDFC Long Term Advantage Fund** and **HDFC TaxSaver** (including Units allotted under Dividend Reinvestment) cannot be assigned/transferred/pledged/redeemed/switched until completion of three years from the date of allotment of the respective Units.

(x) Related to HDFC Mid-Cap Opportunities Fund

While Small & Mid-cap stocks gives one an opportunity to go beyond the usual large blue chip stocks and present possible higher capital appreciation, it is important to note that Small & Mid-cap stocks can be riskier and more volatile on a relative basis. Therefore, the risk levels of investing in Small & Mid-cap stocks are more than investing in stocks of large well-established companies. It should be noted that over a period of time, Small, Mid and Large cap stocks have demonstrated different levels of volatility and investment returns. And it is important to note that generally, no one class consistently outperforms the others.

HDFC Mid-Cap Opportunities Fund benchmarked to CNX Midcap Index is not sponsored, endorsed, sold or promoted by India Index Services & Products Limited (IISL). IISL makes no representation or warranty, express or implied to the owners of HDFC Mid-Cap Opportunities Fund or any member of the public regarding the advisability of investing in securities generally or in HDFC Mid-Cap Opportunities Fund particularly or the ability of the CNX Midcap Index to track general stock market performance in India. The relationship of IISL to HDFC Asset Management Company Limited is in respect of the using of the trademark and trade name of CNX Midcap Index which is determined, composed and calculated by IISL without regard to HDFC Asset Management Company Limited or HDFC Mid-Cap Opportunities Fund. IISL has no obligation to take the needs of HDFC Asset Management Company Limited or the owners of HDFC Mid-Cap Opportunities Fund into consideration in determining, composing or calculating the CNX Midcap Index. IISL is not responsible for nor has participated in the

determination of the timing of, prices at, or quantities of HDFC Mid-Cap Opportunities Fund to be issued or in the determination or calculation of the equation by which HDFC Mid-Cap Opportunities Fund is to be converted into cash. IISL has no obligation or liability in connection with the administration, marketing or trading of HDFC Mid-Cap Opportunities Fund.

IISL does not guarantee the accuracy and/or the completeness of the CNX Midcap Index or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. IISL makes no warranty, express or implied, as to the results to be obtained by HDFC Asset Management Company Limited, owners of HDFC Mid-Cap Opportunities Fund, or any other persons or entities from the use of the CNX Midcap Index or any data included therein. IISL makes no express or implied warranties and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the CNX Midcap Index or any data included therein. Without limiting any of the foregoing, in no event shall IISL have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages.

(xi) Related to HDFC Long Term Equity Fund

HDFC Long Term Equity Fund benchmarked to S&P CNX Nifty is not sponsored, endorsed, sold or promoted by India Index Services & Products Limited (IISL). IISL is not responsible for any errors or omissions or the results obtained from the use of such index and in no event shall IISL have any liability to any party for any damages of whatsoever nature (including lost profits) resulted to such party due to purchase or sale or otherwise of such product benchmarked to such index.

(xii) Related to HDFC Infrastructure Fund

The investments under the Scheme are predominantly oriented towards equity/equity related securities of Companies engaged in the area of growth and development of infrastructure and hence will be affected by risks associated with such companies. Further, amongst the infrastructure sector as defined under the investment strategy, the majority of the equity/ equity oriented investments could be under a single sector. Hence if the said sector does not perform positively as expected by the Fund Manager of the Scheme, the Scheme's performance may be adversely affected due to a risk associated with non-diversification and thus could affect the value of investments.

Given that the Scheme seeks to invest in equity/ equity related securities of the Companies belonging to the infrastructure sector and that the investment concentration may be high in certain companies belonging to the said sector, the volatility and/or performance of the said sector and/or of the scrips belonging to this sector can have a material adverse bearing on the performance of the Scheme.

Although the Scheme seeks to make investments in equity and equity related securities of the Infrastructure sector, this scheme will not be a sector specific scheme for the purpose of monitoring the investment restrictions applicable to the Scheme and hence investments per issuer under the Scheme will not exceed 10% (at the time of investment) of the net assets of the Scheme.

As the Scheme may hold securities that are not in the S&P CNX 500 Index and may invest in limited number of sectors with higher concentration to certain sectors and industries, it may perform differently from the general stock market. Further Scheme's performance may differ from the benchmark index to the extent of the investments held in the debt segment, as per the investment pattern indicated under normal circumstances.

Standard & Poor's ("S&P") is a division of The McGraw-Hill Companies, Inc., a New York corporation. Among other things,

S&P is engaged in the business of developing, constructing, compiling, computing and maintaining various equity indices that are recognized worldwide as benchmarks for U.S. stock market performance. "Standard & Poor's®" and "S&P®" are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by India Index Services & Products Limited in connection with the S&P CNX 500 Index. The S&P CNX 500 Index is not compiled, calculated or distributed by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in products that utilize S&P CNX 500 Index as a component thereof, including HDFC Infrastructure Fund ("the Product").

HDFC Infrastructure Fund benchmarked to S&P CNX 500 is not sponsored, endorsed, sold or promoted by India Index Services & Products Limited ("IISL") or Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"). Neither IISL nor S&P makes any representation or warranty, express or implied, to the owners of HDFC Infrastructure Fund or any member of the public regarding the advisability of investing in securities generally or in HDFC Infrastructure Fund particularly or the ability of the S&P CNX 500 Index to track general stock market performance in India. The relationship of S&P and IISL to HDFC Asset Management Company Ltd. is only in respect of usage of the trademark and trade name of the S&P CNX 500 Index for benchmarking purposes which is determined, composed and calculated by IISL without regard to HDFC Asset Management Company Limited or the Product. Neither S&P nor IISL has any obligation to take the needs of HDFC Asset Management Company Ltd. or the owners of HDFC Infrastructure Fund into consideration in determining, composing or calculating the S&P CNX 500 Index. Neither S&P nor IISL is responsible for or has participated in the determination of the timing of, prices at, or quantities of HDFC Infrastructure Fund to be issued or in the determination or calculation of the equation by which HDFC Infrastructure Fund is to be converted into cash. Neither IISL nor S&P has any obligation or liability in connection with the administration, marketing or trading of the Product.

S&P and IISL does not guarantee the accuracy and/or the completeness of the S&P CNX 500 Index or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. Neither S&P nor IISL makes any warranty, express or implied, as to the results to be obtained by HDFC Asset Management Company Ltd., owners of the Product, or any other person or entity from the use of the S&P CNX 500 Index or any data included therein. IISL and S&P make no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the index or any data included therein. Without limiting any of the foregoing, IISL and S&P expressly disclaim any and all liability for any damages or losses arising out of or related to the Product, including any and all direct, special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages.

(xiii) Related to HDFC Index Fund

Except for the actively managed part of the SENSEX Plus Plan, the Scheme attempts to track the respective indices and it would primarily invest in the securities included in its Underlying indices regardless of their investment merit. The Scheme may be affected by a general decline in the Indian markets.

The performance of the SENSEX Plus Plan may not be in line with BSE SENSEX as 10-20% of the net assets will be invested in non-index scrips.

Performance of the BSE SENSEX / S&P CNX Nifty Index will have a direct bearing on the performance of the respective Plans. In the event the BSE SENSEX / S&P CNX Nifty, as the case may be, is dissolved or is withdrawn by BSE Limited (BSE) / India Index Services & Products Ltd. (IISL) respectively or is not published

due to any reason whatsoever, the Trustee reserves the right to modify the respective Plans so as track a different and suitable index or to suspend tracking the BSE SENSEX / Nifty till such time it is dissolved / withdrawn or not published and appropriate intimation will be sent to the Unit holders of the respective Plans. In such a case, the investment pattern will be modified suitably to match the composition of the securities that are included in the new index to be tracked and the respective Plans will be subject to tracking errors during the intervening period.

Tracking errors are inherent in any index fund and such errors may cause the respective Plans to generate returns which are not in line with the performance of the BSE SENSEX / S&P CNX Nifty or one or more securities covered by / included in the BSE SENSEX / S&P CNX Nifty and may arise from a variety of factors including but not limited to:

- Any delay in the purchase or sale of shares due to illiquidity in the market, settlement and realisation of sales proceeds, delay in credit of securities or in receipt and consequent reinvestment of dividends, etc.
- The Indices reflect the prices of securities at a point in time, which is the price at close of business day on BSE Limited / National Stock Exchange of India Limited (NSE). The respective Plans, however, may trade these securities at different points in time during the trading session and therefore the prices at which the respective Plans trade may not be identical to the closing price of each scrip on that day on the BSE / NSE. In addition, the respective Plans may opt to trade the same securities on different exchanges due to price or liquidity factors, which may also result in traded prices being at variance, from BSE / NSE closing prices.
- IISL undertakes periodic reviews of the fifty securities that are represented in the Nifty and from time to time may exclude existing securities or include new ones. Similarly, the BSE may exclude existing securities or include new ones in the SENSEX. In such an event, the respective Plans will endeavor to reallocate its portfolio to mirror the changes. However, the reallocation process may not occur instantaneously and permit precise mirroring of the BSE SENSEX / Nifty during this period.
- The potential of trades to fail may result in the respective Plans not having acquired the security at the price necessary to mirror the index.
- Transaction and other expenses, such as but not limited to brokerage, custody, trustee and investment management fees.
- Being an open-ended scheme, the respective Plans may hold appropriate levels of cash or cash equivalents to meet ongoing redemptions.
- The respective Plans may not be able to acquire or sell the desired number of securities due to conditions prevailing in the securities market, such as, but not restricted to: circuit filters in the securities, liquidity and volatility in security prices.

Due to the reasons mentioned above and other reasons that may arise, it is expected that the Nifty Plan and the SENSEX Plan may have a tracking error in the range of 2-3% per annum from their respective Benchmarks. However, it needs to be clearly understood that the actual tracking error can be higher or lower than the range given.

In case of investments in derivatives like index futures, the risk reward would be the same as investments in portfolio of shares representing an index. However, there may be a cost attached to buying an index future. Further, there could be an element of settlement risk, which could be different from the risk in settling physical shares and there is a risk attached to the

liquidity and the depth of the index futures market as it is relatively new market.

Nifty Plan is not sponsored, endorsed, sold or promoted by India Index Services & Products Limited (IISL) or Standard & Poor's, a division of The McGraw-Hill Companies Inc. (S&P). Neither IISL nor S&P makes any representation or warranty, express or implied to the owners of the Nifty Plan or any member of the public regarding the advisability of investing in securities generally or in the Nifty Plan particularly or the ability of the S&P CNX Nifty to track general stock market performance in India. The relationship of S&P and IISL to HDFC Asset Management Company Limited is in respect of the licensing of certain trademarks and trade names of their Index which is determined, composed and calculated by IISL without regard to HDFC Asset Management Company Limited or the Nifty Plan. Neither IISL nor S&P has any obligation to take the needs of HDFC Asset Management Company Limited or the owners of the Nifty Plan into consideration in determining, composing or calculating the S&P CNX Nifty. Neither IISL nor S&P is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Nifty Plan to be issued or in the determination or calculation of the equation by which the Nifty Plan is to be converted into cash. Neither S&P nor IISL has any obligation or liability in connection with the administration, marketing or trading of the Nifty Plan.

S&P and IISL do not guarantee the accuracy and/or the completeness of the S&P CNX Nifty or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. Neither IISL nor S&P makes any warranty, express or implied, as to the results to be obtained by HDFC Asset Management Company Limited, owners of the Nifty Plan, or any other persons or entities from the use of the S&P CNX Nifty or any data included therein. IISL and S&P make no express or implied warranties and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, in no event shall IISL or S&P have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages.

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All rights in the SENSEX vest in BSE Limited. BSE and SENSEX are trademarks of BSE and are used by HDFC Asset Management Company Limited under license. BSE shall not be liable in any manner whatsoever (including in negligence) for any loss arising to any person whosoever out of use of or reliance on the SENSEX by any person.

SENSEX Plan and **SENSEX Plus Plan** are not sponsored, endorsed, sold or promoted by BSE Limited. BSE makes no representation or warranty, express or implied to the investors in SENSEX Plan and SENSEX Plus Plan or any member of the public in any manner whatsoever regarding the advisability of investing in securities generally or in SENSEX Plan and SENSEX Plus Plan particularly or the ability of the SENSEX to track general stock market performance in India or otherwise. The relationship of BSE to HDFC Asset Management Company Limited is in respect of the licensing of use of SENSEX which is determined, composed and calculated by BSE without regard to HDFC Asset Management Company Limited or SENSEX Plan and SENSEX Plus Plan. BSE has no obligation to take the needs of the investors of SENSEX Plan and SENSEX Plus Plan into consideration in determining, composing or calculating the SENSEX. BSE is neither responsible for nor has participated in the determination of the time or price at which the units under SENSEX Plan and SENSEX Plus Plan are to be issued or in the determination or calculation of the equation by which the units are to be redeemed for the underlying securities. BSE has no obligation or liability in connection with the administration, marketing or trading of SENSEX Plan and SENSEX Plus Plan.

BSE does not guarantee the accuracy and/or the completeness and/or continuity of SENSEX or any data included therein and they shall have no liability for any errors, omissions or interruptions therein or change or cessation thereof. BSE makes no warranty, express or implied, as to the results to be obtained by HDFC Asset Management Company Limited, investors of SENSEX Plan and SENSEX Plus Plan, or any other persons or entities from the use of SENSEX or any data included therein. BSE makes no express or implied warranties and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to SENSEX or any data included therein. Without limiting any of the foregoing, in no event shall BSE have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages.

(xiii) Related to HDFC Premier Multi-Cap Fund

While mid cap stocks give one an opportunity to go beyond the usual large blue chip stocks and present possible higher capital appreciation, it is important to note that mid cap stocks can be riskier and more volatile on a relative basis. Therefore, the risk levels of investing in mid cap stocks is more than investing in stocks of large well-established companies. It should be noted that over a time, mid cap and large cap stocks have demonstrated different levels of volatility and investment returns. And it is important to note that generally, no one class consistently outperforms the others.

(xiv) Related to HDFC Equity Fund, HDFC Capital Builder Fund, HDFC Premier Multi-Cap Fund and HDFC TaxSaver

HDFC Equity Fund, HDFC Capital Builder Fund, HDFC Premier Multi-Cap Fund and HDFC TaxSaver, benchmarked to S&P CNX 500 Index is not sponsored, endorsed, sold or promoted by India Index Services & Products Limited (IISL). IISL is not responsible for any errors or omissions or the results obtained from the use of such index and in no event shall IISL have any liability to any party for any damages of whatsoever nature (including lost profits) resulted to such party due to purchase or sale or otherwise of such product benchmarked to such index.

(xv) Related to HDFC Arbitrage Fund

The primary objective of the Fund Manager is to identify investment opportunities and to exploit price discrepancies in

various markets. Identification and exploitation of the strategies to be pursued by the Fund Manager involve uncertainty. No assurance can be given that Fund Manager will be able to locate investment opportunities or to correctly exploit price discrepancies in the capital markets. Reduction in mis-pricing opportunities between the cash market and Future and Options market may lead to lower level of activity affecting the returns. As the Scheme proposes to execute arbitrage transactions in various markets simultaneously, this may result in high portfolio turnover and, consequently, high transaction cost.

There may be instances, where the price spread between cash and derivative market is insufficient to meet the cost of carry. In such situations, the fund manager due to lack of opportunities in the derivative market may not be able to outperform liquid / money market funds.

Though the constituent stocks of most indices are typically liquid, liquidity differs across stock. Due to heterogeneity in liquidity in the capital market segment, trades on this segment do not get implemented instantly. This often makes arbitrage expensive, risky and difficult to implement.

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME(S)

The Scheme(s)/Plan(s) shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme(s)/Plan(s) (at portfolio level). The two conditions mentioned above shall be complied within each subsequent calendar quarter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25% limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

C. SPECIAL CONSIDERATIONS, IF ANY

- The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any of the tax consequences that may arise, in the event that the Scheme(s) are wound up for the reasons and in the manner provided in 'Statement of Additional Information ('SAI')'.
- Redemption by the Unit holder due to change in the fundamental attributes of the Scheme(s) or due to any other reasons may entail tax consequences. The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any such tax consequences that may arise.
- The tax benefits described in this Scheme Information Document and Statement of Additional Information are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advise received by the AMC regarding the law and practice currently in force in India and the Unit holders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unit holder is advised to consult his / her own professional tax advisor.
- Investors should study this Scheme Information Document and the Statement of Additional Information carefully in its entirety and should not construe the contents as advise

relating to legal, taxation, investment or any other matters. Investors are advised to consult their legal, tax, investment and other professional advisors to determine possible legal, tax, financial or other considerations of subscribing to or redeeming units, before making a decision to invest / redeem Units.

- In the event of substantial investment by the Sponsors and their associates in the Scheme(s) of the Mutual Fund, Redemption of Units by these entities may have an adverse impact on the performance of the Scheme(s) and this may also affect the ability of other Unit holders to redeem their Units.
- Neither this Scheme Information Document nor the Units have been registered in any jurisdiction. The Investors may take note that the Scheme(s) may in future be registered/ recognized in any other applicable jurisdiction, by the AMC as and when it desires. The distribution of this Scheme Information Document in certain jurisdictions may be restricted or totally prohibited due to registration requirements and accordingly, persons who come into possession of this Scheme Information Document are required to inform themselves about and to observe any such restrictions and or legal compliance requirements.
- Any dispute arising out of the Scheme(s) shall be subject to the exclusive jurisdiction of the Courts in India. Statements in this Scheme Information Document are, except where otherwise stated, based on the law, practice currently in force in India, and are subject to changes therein.
- No person has been authorised to issue any advertisement or to give any information or to make any representations other than that contained in this Scheme Information Document. Circulars in connection with this offering not authorised by the Mutual Fund and any information or representations not contained herein must not be relied upon as having been authorized by the Mutual Fund.
- The Mutual Fund may disclose details of the investor's account and transactions there under to those intermediaries whose stamp appears on the application form. In addition, the Mutual Fund may disclose such details to the bankers / its agents, as may be necessary for the purpose of effecting payments to the investor. Further, the Mutual Fund may disclose details of the investor's account and transactions thereunder to any Regulatory / Statutory entities as per the provisions of law.
- Mutual funds and securities investments are subject to market risks and there can be no assurance or guarantee that the Scheme(s) objectives will be achieved. Investors should study this Scheme Information Document and the Statement of Additional Information carefully in its entirety before investing.
- In terms of the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML Laws), all intermediaries, including Mutual Funds, have to formulate and implement a client identification programme, verify and maintain the record of identify and address(es) of investors.

If after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, failure to provide required documentation, information, etc. the AMC shall have absolute discretion to report such suspicious transactions to FIU-IND and / or to freeze the folios of the investor(s), reject any application(s) / allotment of units and effect mandatory redemption of unit holdings of the investor(s) at the applicable NAV subject to payment of exit load, if any.

D. DEFINITIONS

In this Scheme Information Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

"AMC" or "Asset Management Company" or "Investment Manager"	HDFC Asset Management Company Limited, incorporated under the provisions of the Companies Act, 1956 and approved by Securities and Exchange Board of India to act as the Asset Management Company for the scheme(s) of HDFC Mutual Fund.
"Applicable NAV"	The NAV applicable for purchase or redemption or switching of Units based on the time of the Business Day on which the application is accepted, subject to the provisions of 'cut off timings' as described in this Scheme Information Document.
"AMFI Certified Stock Exchange Brokers"	A person who is registered with AMFI as Mutual Fund Advisor and who has signed up with HDFC Asset Management Company Limited and also registered with BSE & NSE as Participant.
"ARN Holder"/"AMFI registered Distributors"	Intermediary registered with Association of Mutual Funds in India (AMFI) to carry out the business of selling and distribution of mutual fund units and having AMFI Registration Number (ARN) allotted by AMFI.
"Beneficial Owner"	Beneficial owner as defined in the Depositories Act 1996 (22 of 1996) means a person whose name is recorded as such with a depository.
"Book Closure"	The time during which the Asset Management Company would temporarily suspend sale, redemption and switching of Units.
"BSE SENSEX" or "the SENSEX"	The Index of BSE Limited, comprising of, at present, thirty equity securities, the composition and the criteria of which are determined by BSE Limited from time to time.
"Business Day"	A day other than: (i) Saturday and Sunday; (ii) A day on which the banks in Mumbai and / RBI are closed for business / clearing; (iii) A day on which the National Stock Exchange of India Limited is closed; (iv) A day which is a public and /or bank holiday at a Investor Service Centre where the application is received; (v) A day on which Sale / Redemption / Switching of Units is suspended by the AMC; (vi) A day on which normal business cannot be transacted due to storms, floods, bandhs, strikes or such other events as the AMC may specify from time to time. The AMC reserves the right to declare any day as a Business Day or otherwise at any or all Investor Service Centres.
"Business Hours"	Presently 9.30 a.m. to 5.30 p.m. on any Business Day or such other time as may be applicable from time to time.
"Clearing Member" or "CM"	Clearing Members are members of the Clearing Houses / Clearing Corporations who facilitate settlement of trades done on stock exchanges.
"Combined Scheme Information Document" or "Scheme Information Document" or "SID"	This document issued by HDFC Mutual Fund, offering for subscription of Units of fifteen unlinked Schemes (including Plans and Options thereunder) viz; HGF, HEF, HT200, HCBF, HC&SF, HPMCF, HMCOF, HLTEF, HINF, HAF, HDFC INDEX FUND, HLTA, HTS, HBF and HPF.
"Consolidated Account Statement"	Consolidated Account Statement is a statement containing details relating to all the transactions across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions, etc. (including transaction charges paid to the distributor) and holding at the end of the month.
"Core" and "Satellite" group of companies (applicable to HC&SF)	The "Core" group will comprise well established and predominantly large cap companies whereas the "Satellite" group will comprise predominantly small – mid cap companies that offer higher potential returns but at the same time carry higher risk.
"Custodian"	A person who has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations 1996, which for the time being are HDFC Bank Limited and Citibank N. A. [as applicable to the respective Scheme(s)].
"Depository"	Depository as defined in the Depositories Act, 1996 (22 of 1996) and in this SID refers to National Securities Depository Ltd (NSDL) and Central Depository Services Ltd (CDSL).

"Depository Participant"	'Depository Participant' means a person registered as such under subsection (1A) of section 12 of the Securities and Exchange Board of India Act, 1992.
"Derivative"	Derivative includes (i) a security derived from a debt instrument, share, loan whether secured or unsecured, risk instrument or contract for differences or any other form of security; (ii) a contract which derives its value from the prices, or index of prices, or underlying securities.
"Dividend"	Income distributed by the Mutual Fund on the Units.
"Entry Load" or "Sales Load"	Load on Sale / Switch in of Units.
"Equity Related Instruments"	"Equity Related Instruments" includes convertible bonds and debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives and any other like instrument.
"Exit Load" or "Redemption Load"	Load on Redemption / Switch out of Units.
"FII"	Foreign Institutional Investor, registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
"Floating Rate Debt Instruments"	Floating rate debt instruments are debt securities issued by Central and / or State Government, corporates or PSUs with interest rates that are reset periodically. The periodicity of the interest reset could be daily, monthly, quarterly, half-yearly, annually or any other periodicity that may be mutually agreed with the issuer and the Fund. The interest on the instruments could also be in the nature of fixed basis points over the benchmark gilt yields.
"Foreign Securities"	Securities as specified in the SEBI circular- SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007 and any subsequent amendments thereto specified by SEBI and/or RBI from time to time.
"Gilts" or "Government Securities"	Securities created and issued by the Central Government and/or a State Government (including Treasury Bills) or Government Securities as defined in the Public Debt Act, 1944, as amended or re-enacted from time to time.
"Holiday"	Holiday means the day(s) on which the banks (including the Reserve Bank of India) are closed for business or clearing in Mumbai or their functioning is affected due to a strike / bandh call made at any part of the country or due to any other reason.
"Investment Management Agreement"	The agreement dated June 8, 2000 entered into between HDFC Trustee Company Limited and HDFC Asset Management Company Limited, as amended from time to time.
"Investor Service Centres" or "ISCs"	Designated Offices of HDFC Asset Management Company Limited or such other centres / offices as may be designated by the AMC from time to time.
"Large Cap Companies" (applicable to HC&SF)	"Large Cap Companies" are generally those companies with market capitalization of more than ₹ 2,500 crore.
"Large Cap Companies" (applicable to HPMCF)	Large Cap Companies are generally those companies whose market capitalization exceeds the market capitalisation of the largest company in the CNX Midcap Index.
"Load"	In the case of Redemption / Switch out of a Unit, the sum of money deducted from the Applicable NAV on the Redemption / Switch out and in the case of Sale / Switch in of a Unit, a sum of money to be paid by the prospective investor on the Sale / Switch in of a Unit in addition to the Applicable NAV.
"Market Capitalisation"	Market value of the listed company, which is calculated by multiplying its current market price by number of its shares outstanding.
"Mid Cap Companies" (applicable to HPMCF & HMCOF)	Mid Cap Companies are generally those companies that are either a constituent of the CNX Midcap Index or companies that have a market capitalisation of ₹ 500 crores or more; but does not exceed the market capitalisation of the largest constituent of the CNX Midcap Index.
"Multi Cap Scheme" (applicable to HPMCF)	A Scheme that will invest in both Mid Cap and Large Cap companies.
"Money Market Instruments"	Includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills and any other like instruments as specified by the Reserve Bank of India from time to time.
"Mutual Fund" or "the Fund"	HDFC Mutual Fund, a trust set up under the provisions of the Indian Trusts Act, 1882.

"Net Asset Value" or "NAV"	Net Asset Value per Unit of the Scheme(s), calculated in the manner described in this Scheme Information Document or as may be prescribed by the SEBI (MF) Regulations from time to time.
"NRI"	A Non-Resident Indian or a person of Indian origin residing outside India.
"Official Points of Acceptance"	Places, as specified by AMC from time to time where application for subscription / redemption / switch will be accepted on ongoing basis.
"Person of Indian Origin"	A citizen of any country other than Bangladesh or Pakistan, if (a) he at any time held an Indian passport; or (b) he or either of his parents or any of his grand parents was a citizen of India by virtue of Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or person referred to in sub-clause (a) or (b).
"Plans"	Shall include and mean any prospective Plan(s) issued by the Scheme(s) in accordance with SEBI (MF) Regulations and other Plan(s) issued under the Schemes of HDFC Mutual Fund.
"Premier" or "Blue Chip" Companies (applicable to HPMCF)	A "Premier" or "Blue Chip" Company is typically a company with the following characteristics : a) A company with a successful track record; b) A company which has reasonable competitive advantages in its business; c) A company which has an able management.
"Rating"	Rating means an opinion regarding securities, expressed in the form of standard symbols or in any other standardised manner, assigned by a credit rating agency and used by the issuer of such securities, to comply with any requirement of the SEBI (Credit Rating Agencies) Regulations, 1999.
"RBI"	Reserve Bank of India, established under the Reserve Bank of India Act, 1934, (2 of 1934)
"Registrar and Transfer Agent" or "RTA"	Computer Age Management Services Pvt. Limited (CAMS) Chennai, currently acting as registrar to the Scheme, or any other registrar appointed by the AMC from time to time.
"Redemption / Repurchase"	Redemption of Units of the Scheme as permitted.
"Redemption / Switch Trigger"	Under this facility, an Unit holder has the option to trigger a sale or switch of his unit holding in the Scheme either partly for a specified amount or specified units or fully under the following circumstances: (1) On his achieving a desired absolute rate of return on his entire investment in the schemes as specified by the Unit holders as communicated to the Fund; or (2) On specified dates as communicated to the Fund The aforesaid facility may be offered / withdrawn in such Option(s) / Plan(s) / Scheme(s) at the discretion of the AMC, as may be decided from time to time, with prospective effect. The circumstances / terms and conditions under which the trigger can be activated may also be varied by the AMC from time to time
"Regulatory Agency"	Government of India, SEBI, RBI or any other authority or agency entitled to issue or give any directions, instructions or guidelines to the Mutual Fund
"Repo"	Sale of Government Securities with simultaneous agreement to repurchase / resell them at a later date.
"Reverse Repo"	Purchase of Government Securities with a simultaneous agreement to sell them at a later date.
"Sale / Subscription"	Sale or allotment of Units to the Unit holder upon subscription by the investor / applicant under the Scheme.
"Scheme(s)" or "Scheme"	HGF, HEF, HT200, HCBF, HC&SF, HPMCF, HMCOF, HLTEF, HINF, HAF, HDFC INDEX FUND, HLTA, HTS, HBF and HPF (including Plans and Options thereunder), collectively referred to as 'the Scheme(s)' and individually, as the context permits, as 'the Scheme'.
"SEBI"	Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992.
"SEBI (MF) Regulations" or "Regulations"	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time.
"Short Selling"	Short selling means selling a stock which the seller does not own at the time of trade.
"Small-Cap Companies (applicable to HMCOF)"	Small-Cap Companies are those companies whose market capitalisation is lower than ₹ 500 Crores.

"Small-mid Cap Companies" (applicable to HC&SF)	"Small-mid Cap Companies" are generally those companies with market capitalisation of less than ₹ 2,500 crore.
"Sponsors" or "Settlers"	Housing Development Finance Corporation Limited and Standard Life Investments Limited.
"Spread" (applicable to HAF)	Difference in price, when an arbitrage transaction is executed by buying and selling simultaneously in two separate markets.
"Statement of Additional Information" or "SAI"	The document issued by HDFC Mutual Fund containing details of HDFC Mutual Fund, its constitution, and certain tax, legal and general information. SAI is legally a part of the Scheme Information Document.
"Stock Lending"	Lending of securities to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio.
"Switch"	Redemption of a unit in any scheme (including the plans / options therein) of the Mutual Fund against purchase of a unit in another scheme (including the plans / options therein) of the Mutual Fund, subject to completion of Lock-in Period, if any.
"S&P CNX Nifty" or "Nifty"	The Index comprising at present, fifty equity securities, the composition and the criteria of which are determined by the India Index Services & Products Limited from time to time.
"Tracking Error" (applicable to HDFC Index Fund)	The extent to which the NAV of the respective Plans moves in a manner inconsistent with the movements of the total returns of the Nifty / total returns of the SENSEX (as the case may be) on any given day or over any given period of time arising from any cause or reason whatsoever including but not limited to differences in the weightage of the investments in the securities and the weightage to such securities in the Nifty / SENSEX and the time lags in deployment or realisation of funds under the Scheme as compared to the movement of or within the Nifty / SENSEX as well as the market liquidity, cost of trading, management and other expenses.
"Trust Deed"	The Trust Deed dated June 8, 2000 made by and between HDFC and HDFC Trustee Company Limited ("Trustee"), thereby establishing an irrevocable trust, called HDFC Mutual Fund and deed of variations dated June 11, 2003 and June 19, 2003.
"Unit"	The interest of the Unit holder which consists of each Unit representing one undivided share in the assets of the Scheme.
"Unit holder" or "Investor"	A person holding Unit in the Scheme(s) of HDFC Mutual Fund offered under this Scheme Information Document.

INTERPRETATION

For all purposes of this Scheme Information Document, except as otherwise expressly provided or unless the context otherwise requires:

- all references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa.
- all references to "dollars" or "\$" refer to United States Dollars and "₹" refer to Indian Rupees. A "crore" means "ten million" and a "lakh" means a "hundred thousand".
- all references to timings relate to Indian Standard Time (IST).

E. ABBREVIATIONS

In this Scheme Information Document the following abbreviations have been used.

ADR	American Depository Receipts
AMC	Asset Management Company
AMFI	Association of Mutual Funds in India
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CBLO	Collateralised Borrowing & Lending Obligations
CDSL	Central Depository Services Limited
ECS	Electronic Clearing System
EFT	Electronic Funds Transfer
FCNR A/c	Foreign Currency (Non-Resident) Account
FII	Foreign Institutional Investor

GDR	Global Depository Receipts
HAF	HDFC Arbitrage Fund
HBF	HDFC Balanced Fund
HC&SF	HDFC Core & Satellite Fund
HCBF	HDFC Capital Builder Fund
HEF	HDFC Equity Fund
HGF	HDFC Growth Fund
HINF	HDFC Infrastructure Fund
HLTAF	HDFC Long Term Advantage Fund
HLTEF	HDFC Long Term Equity Fund
HMCOF	HDFC Mid-Cap Opportunities Fund
HPF	HDFC Prudence Fund
HPMCF	HDFC Premier Multi-Cap Fund
HT200	HDFC Top 200 Fund
HTS	HDFC TaxSaver
ISC	Investor Service Centre
KYC	Know Your Customer
MIBOR	Mumbai Inter-Bank Offer Rate
NAV	Net Asset Value
NEFT	National Electronic Funds Transfer
NFO	New Fund Offer
NRE A/c	Non-Resident (External) Rupee Account
NRI	Non-Resident Indian
NRO A/c	Non-Resident Ordinary Rupee Account
NSDL	National Depositories Services Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
RBI	Reserve Bank of India
RTA	Registrar and Transfer Agent
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SIP	Systematic Investment Plan
STP	Systematic Transfer Plan
SWAP	Systematic Withdrawal Advantage Plan

F. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

- (i) This Combined Scheme Information Document has been prepared in terms of SEBI Circular SEBI/IMD/CIR No. 5/126096/08 dated May 23, 2008 and is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- (ii) All legal requirements connected with the launching of the Scheme(s) as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with. The Scheme particulars of HDFC TaxSaver and HDFC Long Term Advantage Fund are also in accordance with the Ministry of Finance (Department of Economic Affairs), Government of India Notification dated December 28, 1992 as amended on December 22, 1998 and Notification dated November 3, 2005 as amended on December 13, 2005.
- (iii) The disclosures made in the Combined Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the scheme(s).
- (iv) The intermediaries named in the Combined Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

Place : Mumbai
Date : April 30, 2012

Signed : sd/-
Name : **Yezdi Khariwala**
Designation : Chief Compliance Officer

II. INFORMATION ABOUT THE SCHEME(S)

A. TYPE OF THE SCHEME(S) :

Name of the Scheme(s)	Type of the Scheme
HDFC Growth Fund	Open-ended Growth Scheme
HDFC Equity Fund	Open-ended Growth Scheme
HDFC Top 200 Fund	Open-ended Growth Scheme
HDFC Capital Builder Fund	Open-ended Growth Scheme
HDFC Core & Satellite Fund	Open-ended Growth Scheme
HDFC Premier Multi-Cap Fund	Open-ended Growth Scheme
HDFC Mid-Cap Opportunities Fund	Open-ended Equity Scheme
HDFC Long Term Equity Fund	Open-ended Equity Scheme
HDFC Infrastructure Fund	Open-ended Equity Scheme
HDFC Arbitrage Fund	Open-ended Equity Fund
HDFC Index Fund Scheme	Open-ended Index Linked
HDFC Long Term Advantage Fund#*	Open-ended Equity Linked Savings Scheme with a lock-in period of 3 years **
HDFC TaxSaver#	Open-ended Equity Linked Savings Scheme with a lock-in period of 3 years **
HDFC Balanced Fund	Open-ended Balanced Scheme
HDFC Prudence Fund	Open-ended Balanced Scheme

The Scheme(s) are launched as an open-ended Equity Linked Savings Scheme(s) (ELSS) having a lock-in period of 3 years (with no assured returns) and are formulated as per the Notification dated December 28, 1992 as amended on December 22, 1998 and Notification dated November 3, 2005 as amended on December 13, 2005 issued by the Department of Economic Affairs, Ministry of Finance, Government of India.

Ministry of Finance vide its Press Release dated November 11, 2005 has stated that the Central Board of Direct Taxes has clarified that investment made on or after April 1, 2005 in plans which are in accordance with ELSS 1992 or ELSS 1992 as amended in 1998 are also eligible for tax benefit u/s 80C of the Income-tax Act, 1961.

* The Scheme viz. HDFC Long Term Advantage Fund was formerly known as HDFC Tax Plan 2000 (name change effected November 22, 2004).

** Units purchased cannot be assigned / transferred / pledged / redeemed / switched out until completion of 3 years from the date of allotment of the respective Units. The AMC reserves the right to change the Lock-in Period prospectively from time to time to the extent permitted under the Equity Linked Savings Scheme, 1992 as amended from time to time.

B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME(S)?

HDFC Growth Fund: The investment objective of the Scheme is to generate long term capital appreciation from a portfolio that is invested predominantly in equity and equity related instruments.

HDFC Equity Fund: The investment objective of the Scheme is to achieve capital appreciation.

HDFC Top 200 Fund: The investment objective of the Scheme is to generate long term capital appreciation from a portfolio of equity and equity linked instruments. The investment portfolio

for equity and equity linked instruments will be primarily drawn from the companies in the BSE 200 Index. Further, the Scheme may also invest in listed companies that would qualify to be in the top 200 by market capitalisation on the BSE even though they may not be listed on the BSE. This includes participation in large IPOs where in the market capitalisation of the company based on issue price would make the company a part of the top 200 companies listed on the BSE based on market capitalisation.

HDFC Capital Builder Fund: The investment objective of the Scheme is to achieve capital appreciation in the long term.

HDFC Core & Satellite Fund: The investment objective of the Scheme is to generate capital appreciation through equity investment in companies whose shares are quoting at prices below their true value.

HDFC Premier Multi-Cap Fund: The investment objective of the Scheme is to generate capital appreciation in the long term through equity investments by investing in a diversified portfolio of Mid Cap and Large Cap 'blue chip' companies.

HDFC Mid-Cap Opportunities Fund: The investment objective of the Scheme is to generate long-term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities of Small and Mid-Cap companies.

HDFC Long Term Equity Fund: The investment objective of the Scheme is to achieve long term capital appreciation.

HDFC Infrastructure Fund: The investment objective of the Scheme is to seek long-term capital appreciation by investing predominantly in equity and equity related securities of companies engaged in or expected to benefit from the growth and development of infrastructure.

HDFC Arbitrage Fund: The investment objective of the Scheme is to generate income through arbitrage opportunities between cash and derivative market and arbitrage opportunities within the derivative segment and by deployment of surplus cash in debt securities and money market instruments.

HDFC Index Fund: The Scheme offers 3 Plans, each with its own NAV, namely the:

- Nifty Plan
- SENSEX Plan
- SENSEX Plus Plan

Nifty Plan: The investment objective of this Plan is to generate returns that are commensurate with the performance of the Nifty, subject to tracking errors.

SENSEX Plan: The investment objective of this Plan is to generate returns that are commensurate with the performance of the SENSEX, subject to tracking errors.

SENSEX Plus Plan: The investment objective of this Plan is to invest 80 to 90% of the net assets of the Plan in companies whose securities are included in SENSEX and between 10% & 20% of the net assets in companies whose securities are not included in the SENSEX.

HDFC Long Term Advantage Fund: The investment objective of the Scheme is to generate long term capital appreciation from a portfolio that is invested predominantly in equity and equity related instruments.

HDFC TaxSaver: The investment objective of the Scheme is to achieve long term growth of capital.

HDFC Balanced Fund: The investment objective of the Scheme is to generate capital appreciation along with current income

from a combined portfolio of equity & equity related and debt and money market instruments.

HDFC Prudence Fund: The investment objective of the Scheme is to provide periodic returns and capital appreciation over a long period of time, from a judicious mix of equity and debt investments, with the aim to prevent / minimise any capital erosion. Under normal circumstances, it is envisaged that the debt : equity mix would vary between 25:75 and 40:60 respectively. This mix may achieve the investment objective, may result in regular income, capital appreciation and may also prevent capital erosion.

C. HOW WILL THE SCHEME(S) ALLOCATE ITS ASSETS? ASSET ALLOCATION :

HDFC GROWTH FUND

The corpus of the Scheme will be invested primarily in equity and equity related instruments. The Scheme may invest a part of its corpus in debt and money market instruments, in order to manage its liquidity requirements from time to time, and under certain circumstances, to protect the interests of the Unit holders.

Under normal circumstances, the asset allocation (% of Net Assets) of the Scheme's portfolio will be as follows:

Type of Instruments	Normal Allocation (% of Net Assets)	Normal Deviation (% of Normal Allocation)	Risk Profile
Equities & Equity related instruments	80 - 100	0	Medium to High
Debt Securities, Money Market instruments & Cash (including CBLO / Reverse Repos)	0 - 20	0	Low to Medium

Please refer to **Pages 24-25** for investment by the Scheme in ADR/GDR/Foreign Securities and derivatives.

HDFC EQUITY FUND

Under normal circumstances, the asset allocation (% of Net Assets) of the Scheme's portfolio will be as follows:

Type of Instruments	Normal Allocation (% of Net Assets)	Risk Profile
Equities and equity related instruments	80 - 100	Medium to High
Debt and money market instruments*	0 - 20	Low to Medium

*Investment in Securitised debt, if undertaken, would not exceed 20% of the net assets of the Scheme.

Please refer to **Pages 24-25** for investment by the Scheme in ADR/GDR/Foreign Securities and derivatives.

HDFC TOP 200 FUND

Investors may note that securities which provide higher returns also typically portray higher volatility. As such, the investment portfolio of the Scheme would portray moderate to high volatility in its equity and equity linked investments, and low to moderate volatility in debt and money market investments.

Under normal circumstances, the asset allocation (% of Net Assets) of the Scheme's portfolio will be as follows:

Type of Instruments	Normal Allocation (% of Net Assets)	Risk Profile
Equity & Equity linked instruments	Upto 100 (including use of derivatives for hedging and other uses as permitted by prevailing SEBI (MF) Regulations)	Medium to High
Debt and money market instruments*	Balance in debt and money market instruments	Low to Medium

*Investment in Securitised debt, if undertaken, would not exceed 20% of the net assets of the Scheme.

Please refer to **Pages 24-25** for investment by the Scheme in ADR/GDR/Foreign Securities and derivatives.

HDFC CAPITAL BUILDER FUND

Under normal circumstances, the asset allocation (% of Net Assets) of the Scheme's portfolio will be as follows:

Type of Instruments	Normal Allocation (% of Net Assets)	Risk Profile
Equities and equity related instruments	Upto 100	Medium to High
Debt and money market instruments*	Not more than 20	Low to Medium

*Investment in Securitised debt, if undertaken, would not exceed 20% of the net assets of the Scheme.

Please refer to **Pages 24-25** for investment by the Scheme in ADR/GDR/Foreign Securities and derivatives.

HDFC CORE & SATELLITE FUND

Under normal circumstances, the asset allocation (% of Net Assets) of the Scheme's portfolio will be as follows:

Type of Instruments	Normal Allocation (% of Net Assets)	Normal Deviation (% of Normal Allocation)	Risk Profile
Equity & Equity related instruments	90-95	A minimum of 5% of net assets of the Fund	High
Fixed Income Securities (including securitised debt of upto 10% of net assets & Money Market instruments)	5-10	95% of the net assets can be invested in fixed income securities in exceptional circumstances	Low to Medium

Please refer to **Pages 24-25** for investment by the Scheme in ADR/GDR/Foreign Securities and derivatives.

HDFC PREMIER MULTI-CAP FUND

Under normal circumstances, the asset allocation (% of Net Assets) of the Scheme's portfolio will be as follows:

Type of Instruments	Minimum Allocation (% of Net Assets)	Maximum Allocation (% of Net Assets)	Risk Profile
Equity & Equity related instruments out of which	85	100	Medium to High
Large Cap	35	65	Medium
Mid Cap	35	65	Medium to High
Debt Securities (including securitised debt of upto 10% of the net assets)	0	15	Low to Medium
Money Market Instruments	0	15	Low

Please refer to **Pages 24-25** for investment by the Scheme in ADR/GDR/Foreign Securities and derivatives.

HDFC MID-CAP OPPORTUNITIES FUND

Under normal circumstances, the asset allocation (% of Net Assets) of the Scheme's portfolio will be as follows:

Type of Instruments	Minimum Allocation (% of Net Assets)	Maximum Allocation (% of Net Assets)	Risk Profile
Equity and equity related securities of Small and Mid-Cap companies of which	75	100	High
Small-Cap companies	5	15	
Mid-Cap companies	70	95	
Equity and equity related securities other than the above	0	25	High
Debt and Money Market Securities (including investments in securitised debt#)	0	25	Low to Medium

The Investment in Securitised Debt will not normally exceed 25% of the net assets of the Scheme.

Please refer to **Pages 24-25** for investment by the Scheme in ADR/GDR/Foreign Securities and derivatives.

HDFC LONG TERM EQUITY FUND

Under normal circumstances, the asset allocation (% of Net Assets) of the Scheme's portfolio will be as follows:

Type of Instruments	Minimum Allocation (% of Net Assets)	Maximum Allocation (% of Net Assets)	Risk Profile
Equity and Equity Related Instruments	70	100	High
Fixed Income Securities (including money market instruments)	0	30	Low

The Scheme will not invest in Securitised Debt.

Please refer to **Pages 24-25** for investment by the Scheme in ADR/GDR/Foreign Securities and derivatives.

HDFC INFRASTRUCTURE FUND

Under normal circumstances, the asset allocation (% of Net Assets) of the Scheme's portfolio will be as follows:

Type of Instruments	Minimum Allocation (% of Net Assets)	Maximum Allocation (% of Net Assets)	Risk Profile
Equity and Equity Related Instruments of infrastructure / infrastructure related companies	65	100	Medium to High
Equity and Equity Related Instruments of companies other than mentioned above	0	35	Medium to High
Debt Securities and Money Market Instruments* and Fixed Income Derivative	0	35	Low to Medium

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

Please refer to **Pages 24-25** for investment by the Scheme in ADR/GDR/Foreign Securities and derivatives.

HDFC ARBITRAGE FUND

Under normal circumstances, the asset allocation (% of Net Assets) of the Scheme's portfolio will be as follows:

Type of Instruments	Minimum Allocation (% of Net Assets)	Maximum Allocation (% of Net Assets)	Risk Profile
Equity and Equity Related Instruments	65	90	Medium to High
Derivative including index futures, stock futures, Index Options and Stock Options etc #	65	90	Medium to High
Debt Securities and Money Market Instruments* and Fixed Income Derivative	10	35	Low to Medium

When adequate arbitrage opportunities are not available in the Derivative and equity markets, the asset allocation of the scheme's portfolio will be as follows:

Type of Instruments	Minimum Allocation (% of Net Assets)	Maximum Allocation (% of Net Assets)	Risk Profile
Equity and Equity Related Instruments	0	65	Medium to High
Derivative including index futures, stock futures, Index Options and Stock Options etc #	0	65	Medium to High
Debt Securities and Money Market Instruments* and Fixed Income Derivative	35	100	Low to Medium

*Investments in securitised debt shall not normally exceed 50% of the net assets of the scheme.

The exposure to derivative shown in the above asset allocation table is exposure taken against the underlying equity investments and should not be considered for calculating the total asset allocation. The idea is not to take additional asset allocation with the use of derivative. The margin money deployed on these positions would be included in Money Market category.

Please refer to **Pages 24-25** for investment by the Scheme in ADR/GDR/Foreign Securities and derivatives.

HDFC INDEX FUND

INVESTMENT PATTERN

Nifty Plan:

The net assets of the Plan will be invested predominantly in stocks constituting the S&P CNX Nifty and / or in exchange traded derivatives on the S&P CNX Nifty. This would be done by investing in almost all the stocks comprising the S&P CNX Nifty in approximately the same weightage that they represent in the S&P CNX Nifty Index and / or investing in derivatives including futures contracts and options contracts on the S&P CNX Nifty Index. A small portion of the net assets will be invested in money market instruments permitted by SEBI / RBI including Collateralised Borrowing & Lending Obligations (CBLO) or in alternative investment for the Collateralised Borrowing & Lending Obligations (CBLO) as may be provided by the RBI, to meet the liquidity requirements of the Plan.

SENSEX Plan:

The net assets of the Plan will be invested predominantly in stocks constituting the SENSEX and / or in exchange traded derivatives on SENSEX. This would be done by investing in almost all the stocks comprising the SENSEX in approximately the same weightage that they represent in the SENSEX and/or investing in derivatives including futures contract and options contracts on the SENSEX. A small portion of the net assets will be invested in money market instruments permitted by SEBI/RBI including Collateralised Borrowing & Lending Obligations (CBLO) or in alternative investment for the Collateralised Borrowing & Lending Obligations (CBLO) as may be provided by the RBI, to meet the liquidity requirements of the Plan.

SENSEX Plus Plan:

The net assets of the Plan would be invested in such a manner that 80% to 90% of the net assets are invested in almost all stocks constituting the SENSEX in approximately the same weightage that they represent in the SENSEX. The balance 10% to 20% of the net assets of the Plan would be invested in stocks that do not form part of the SENSEX in a manner that individual stock exposures do not exceed the SEBI stipulated limits. A small portion of the net assets will be invested in money market instruments permitted by SEBI/RBI including Collateralised Borrowing & Lending Obligations (CBLO) or in alternative investment for the Collateralised Borrowing & Lending Obligations (CBLO) as may be provided by the RBI, to meet the liquidity requirements of the Plan.

Under normal circumstances the asset allocation (as a % of Net Assets) of the respective Plans' portfolio under the Scheme will be as follows:

Nifty Plan:

Type of Instruments	Normal Allocation (% of Net Assets)	Risk Profile
Securities covered by the Nifty	95 to 100	Medium to High
Cash & Money Market Instruments, including CBLO / Reverse Repos but excluding Subscription and Redemption Cash Flow	0 to 5	Low to Medium
Subscription Cash Flow is the subscription money in transit before deployment and Redemption Cash Flow is the money kept aside for meeting redemptions.		

SENSEX Plan:

Type of Instruments	Normal Allocation (% of Net Assets)	Risk Profile
Securities covered by the SENSEX	95 to 100	Medium to High
Cash & Money Market instruments, including CBLO / Reverse Repos but excluding Subscription and Redemption Cash Flow	0 to 5	Low to Medium
Subscription Cash Flow is the subscription money in transit before deployment and Redemption Cash Flow is the money kept aside for meeting redemptions.		

SENSEX Plus Plan:

Type of Instruments	Normal Allocation (% of Net Assets)	Risk Profile
Securities covered by the SENSEX	80 to 90	Medium to High
Securities other than covered by SENSEX	10 to 20	Medium to High
Money Market Instruments, convertible bonds & cash including CBLO / Reverse Repos but excluding Subscription and Redemption Cash Flow	0 to 5	Low to Medium
Subscription Cash Flow is the subscription money in transit before deployment and Redemption Cash Flow is the money kept aside for meeting redemptions.		

Please refer to **Pages 24-25** for investment by the Scheme in ADR/GDR / Foreign Securities and derivatives.

HDFC LONG TERM ADVANTAGE FUND

Under normal circumstances, the asset allocation (% of Net Assets) of the Scheme's portfolio will be as follows:

Sr. No.	Type of Instruments	Normal Allocation (% of Net Assets)	Risk Profile
1.	Equities & Equity linked instruments	80	High
2.	Debt Securities, Money Market instruments (including cash / CBLO / Reverse Repos)	20	Low to Medium

Please refer to **Pages 24-25** for investment by the Scheme in ADR/GDR/Foreign Securities and derivatives.

HDFC TAXSAVER

Under normal circumstances, the asset allocation (% of Net Assets) of the Scheme's portfolio will be as follows:

Type of Instruments	Normal Allocation (% of Net Assets)	Risk Profile
Equities and related instruments	Minimum 80	Medium to High
Debt and money market instruments*	Maximum 20	Low to Medium

*Investment in Securitised debt, if undertaken, would not exceed 20% of the net assets of the Scheme.

Please refer to **Pages 24-25** for investment by the Scheme in ADR/GDR/Foreign Securities and derivatives.

HDFC BALANCED FUND

Under normal circumstances, the asset allocation (% of Net Assets) of the Scheme's portfolio will be as follows:

Sr. No.	Type of Instruments	Normal Allocation (% of Net Assets)	Normal Deviation (% of Normal Allocation)	Risk Profile
1.	Equities & Equity related instruments	60	20	Medium to High
2.	Debt Securities (including securitised debt) and Money Market instruments	40	30	Low to Medium

Please refer to **Pages 24-25** for investment by the Scheme in ADR/GDR/Foreign Securities and derivatives.

HDFC PRUDENCE FUND

Under normal circumstances, the asset allocation (% of Net Assets) of the Scheme's portfolio will be as follows:

Type of Instruments	Minimum Allocation (% of Net Assets)	Maximum Allocation (% of Net Assets)	Risk Profile
Equity & Equity related instruments	40	75	High
Debt and money market instruments*	25	60	Low to Medium

*Investment in Securitised debt, if undertaken, would not exceed 10% of the net assets of the Scheme.

Please refer to **Pages 24-25** for investment by the Scheme in ADR/GDR/Foreign Securities and derivatives.

Investors may note that securities, which provide higher returns typically, display higher volatility. Accordingly, the investment portfolio of the Plans 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.

The securities mentioned above including money market instruments, could be listed, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals.

For the purposes of this Scheme Information Document, equity and equity related securities include debt securities convertible into shares and rights or warrants to purchase shares. It is the intention of this Scheme to trade in derivatives on the indices

or the stocks comprising the indices, as permitted by the Regulations.

The portion of the Plans' portfolios invested in each type of security listed above may vary in accordance with economic conditions, interest rates, liquidity and other relevant considerations, including the risks associated with each investment. The Plans will, in order to reduce the risks associated with any one security, utilize a variety of investments.

The Plans may also enter into repurchase and reverse repurchase obligations in securities held by it as per the guidelines and regulations applicable to such transactions. Further, the Plans intend to participate in securities lending as permitted under the Regulations.

Asset Allocation (Contd.) - Applicable to all Scheme(s)

Pending deployment of funds of the Scheme(s) in securities in terms of the investment objective of the Scheme(s) the AMC may park the funds of the Scheme(s) in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.

Stock Lending by the Fund

Subject to the SEBI (MF) Regulations (in case of HLTAF & HTS - Equity Linked Savings Scheme guidelines), as applicable from time to time, the Mutual Fund may, if the Trustee permits, engage in Stock Lending. Stock Lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period.

In case of HGF, HC&SF, HPMCF, HMCOF, HLTEF, HINF, HDFC INDEX FUND, HBF and HAF, the AMC shall adhere to the following limits should it engage in Stock Lending.

1. Not more than 25% of the net assets of the Scheme can generally be deployed in Stock Lending.
2. Not more than 5% of the net assets of the Scheme can generally be deployed in Stock Lending to any single approved intermediary.

In case of HEF, HT200, HCBF and HPF, the AMC shall adhere to the following limits should it engage in Stock Lending.

1. The exposure of the Scheme(s) at the time of lending will presently be restricted to 40% of its Total Assets.
2. The exposure to a single approved intermediary will presently not exceed 10% of the Total Assets of the Scheme(s) or ₹ 5 crore whichever is higher.

The Mutual Fund may not be able to sell such lent out securities and this can lead to temporary illiquidity.

Investment by Scheme(s) in ADR/ GDR/ Foreign Securities:

The Scheme(s) (as applicable) may seek investment opportunity in the ADR / GDR / Foreign equity and debt securities subject to SEBI (Mutual Funds) Regulations, 1996. The details of maximum exposure to investment in Foreign Securities is given in **Table 1** on Page 25.

Investment in Derivatives by Scheme(s) other than HAF:

The Scheme(s) may use derivatives mainly for the purpose of hedging and portfolio balancing, based on the opportunities available subject to SEBI (Mutual Funds) Regulations, 1996.

Investment in Derivatives by HAF: In pursuance of investment objective of the Scheme, HDFC Arbitrage Fund would use derivatives to generate income through arbitrage opportunities between cash and derivative market and arbitrage opportunities within the derivative segment subject to SEBI (MF) Regulations.

The details of maximum exposure to investment in Derivatives is given in **Table 1** below.

Table 1 :

Name of the Scheme	Maximum Exposure for investment in ADR/ GDR/ Foreign Securities.	Investment in Derivatives
HDFC Growth Fund	Foreign Debt Securities: 20% of the net assets. The Scheme will not invest in Foreign Securitised Debt.	Upto a maximum of 20% of net assets (including cash)
HDFC Equity Fund HDFC Top 200 Fund HDFC Capital Builder Fund HDFC Prudence Fund HDFC TaxSaver	40% of the net assets	Upto a maximum of 25% of net assets (including cash)
HDFC Core & Satellite Fund	25% of the net assets (in Foreign Securities)	Upto a maximum of 50% of the portfolio (i.e. net assets including cash)
HDFC Premier Multi-Cap Fund	ADRs / GDRs and Foreign Equity Securities: 25% of the net assets. Foreign Debt Securities: 10% of the net assets. The Scheme shall invest in Foreign Debt Securities of USA and UK, countries having fully convertible currencies. In the light of the above, the Scheme may undertake to make investments in foreign debt securities in the countries with fully convertible currencies, short term as well as long term debt instruments with highest rating (foreign currency credit rating) by accredited / registered credit rating agencies, say A-1/AAA by Standard & Poor, P-1/AAA by Moody's, F1/AAA by Fitch IBCA, etc. The Scheme may also invest in government securities where the countries are AAA rated. The Scheme will not invest in Foreign Securitised Debt.	Upto a maximum of 50% of the portfolio (i.e. net assets including cash)
HDFC Mid - Cap Opportunities Fund and HDFC Long Term Equity Fund	25% of the net assets (in Foreign Securities)	The maximum derivative position will be restricted to 20% of the Net Assets (including cash)
HDFC Infrastructure Fund	35% of the net assets (in Foreign Securities)	The maximum derivative position will be restricted to 20% of the Net Assets (including cash)
HDFC Arbitrage Fund	75% of its assets in foreign securities (including bonds, mutual funds and other approved instruments)	Please refer to asset allocation table on Page 22 .
HDFC Index Fund	The Scheme will not invest in Foreign Securitised Debt.	Upto a maximum 50% of net assets of the respective Plans (including cash)
HDFC Long Term Advantage Fund	The maximum exposure for investment in ADR/ GDR/ Foreign Securities will be subject to SEBI (Mutual Funds) Regulations, 1996.	Upto a maximum of 20% of net assets (including cash)
HDFC Balanced Fund	Foreign Debt Securities: 40% of the net assets. The Scheme will not invest in Foreign Securitised Debt.	Upto a maximum of 20% of net assets (including cash)

Change in Asset Allocation Pattern - Schemes except HDFC Index Fund.

Subject to SEBI (MF) Regulations and in case of HTS and HLTAF, the guidelines governing the Equity Linked Savings Scheme, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and for defensive consideration only.

CHANGE IN INVESTMENT PATTERN FOR HDFC INDEX FUND

As an index linked scheme, the investment policy is primarily passive management except for the SENSEX Plus Plan wherein 10 to 20% of the net assets of the Plan would be actively managed. However, the investment pattern is indicative and may change for short duration. In the event the S&P CNX Nifty / SENSEX, as the case may be, is dissolved or is withdrawn by IISL / BSE Limited, respectively or is not published due to any reason whatsoever, the Trustee reserves the right to modify the respective Plans so as to track a different suitable index and/ or to suspend tracking the Nifty / SENSEX and appropriate intimation of the same will be sent to the Unit holders of the

respective Plans. In such a case, the investment pattern will be suitably modified to bring it in line with the composition of the securities that are included in the new index to be tracked and the performance of the scheme will be subject to tracking errors during the intervening period.

Subject to the Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially within the maximum and minimum allocation limits, depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and defensive considerations.

Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (15A) of Regulation 18 of the Regulations, as detailed later in this document.

Debt Market In India

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

A] Government Debt -

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

B] Non-Government Debt

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

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

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

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

- Overnight Call
- Collateralised Borrowing & Lending Obligations (CBLO)
- Treasury Bills
- Government Securities with a residual maturity of < 1 year
- Commercial Paper
- Certificates of Deposit

Apart from these, there are some other options available for short tenure investments that include MIBOR linked debentures with periodic exit options and other such instruments. Though not strictly classified as Money Market Instruments, PSU / DFI / Corporate paper with a residual maturity of < 1 year, are actively traded and offer a viable investment option.

The following table gives approximate yields prevailing during the month of March 2012 on some of the instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing consequent to changes in macro economic conditions and RBI policy.

Instrument	Yield Range (% per annum)
Inter bank Call Money	8.30 – 15.00
91 Day Treasury Bill	8.93 – 9.02
364 Day Treasury Bill	8.38 – 8.49
A1+Commercial Paper 90 Days	11.00 – 11.90
5 Year Government of India Security	8.34 – 8.64
10 Year Government of India Security	8.22 – 8.60
15 Year Government of India Security	8.52 – 8.72
1 Year Corporate Bond – AAA Rated	9.66 – 9.90
3 Year Corporate Bond – AAA Rated	9.53 – 9.69
5 Year Corporate Bond – AAA Rated	9.32 – 9.57

Source : Bloomberg

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

Overseas Debt Market

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

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

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

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

The approximate yields to maturity in the US Bond Market as at March 30, 2012 are as follows:

Maturity	US Treasury yields (%)
3 months	0.07
6 months	0.15
2 years	0.33
3 years	0.51
5 years	1.04
10 years	2.23

Source : H.15, Federal Reserve Statistical Release

Maturity	US AA Corporate Bond yields (%)
1 year	0.50
2 years	0.85
5 years	1.78
10 years	3.29

Source : Bloomberg

D. WHERE WILL THE SCHEME(S) INVEST?

The corpus of the Scheme(s) shall be invested in any (but not exclusively) of the following securities:

■ Equity and equity related instruments (Applicable to All Schemes except HINF) :

Investments in these securities will be as per the limits specified in the asset allocation table(s) of respective Scheme(s), subject to permissible limits laid under SEBI (MF) Regulations.

■ Equity and equity related instruments (Applicable to HINF) :

The Scheme shall invest predominantly in equity and equity related securities of companies engaged in or expected to benefit from the growth and development of infrastructure. The Scheme shall invest in the following indicative list of sectors/industries:

- Airports

- Banking and Financial Services
- Cement and Cement Products
- Construction and related industries
- Electrical and Electronic Components
- Energy
- Engineering
- Metals/Mining/Minerals
- Housing and related industries
- Industrial Capital Goods
- Industrial Products
- Oil & Gas and allied industries
- Petroleum and related industries
- Ports
- Power and Power Equipment
- Telecom
- Urban Infrastructure including Transportation, Water, etc.

The Scheme shall invest across the above-mentioned sectors or other areas of infrastructure as identified by the Fund Manager. Please note that the above list is only indicative and not exhaustive and this could undergo changes based on the future reforms and developments. The Fund Manager may add such other sector/group of industries which broadly satisfy the category of services and infrastructure industries.

■ Debt securities:

The Scheme(s) will retain the flexibility to invest in the entire range of debt instruments and money market instruments. These instruments are more specifically highlighted below:

- Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bond / notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to:
 1. Debt obligations of the Government of India, State and local Governments, Government Agencies and statutory bodies (which may or may not carry a state / central government guarantee),
 2. Securities that have been guaranteed by Government of India and State Governments,
 3. Securities issued by Corporate Entities (Public / Private sector undertakings),
 4. Securities issued by Public / Private sector banks and development financial institutions.
- Money Market Instruments include:
 1. Commercial papers
 2. Commercial bills
 3. Treasury bills
 4. Government securities having an unexpired maturity upto one year
 5. Collateralised Borrowing & Lending Obligation (CBLO)
 6. Certificate of deposit
 7. Usance bills
 8. Permitted securities under a repo / reverse repo agreement

9. Any other like instruments as may be permitted by RBI / SEBI from time to time

Investment in debt securities will usually be in instruments, which have been assessed as "high investment grade" by at least one credit rating agency authorised to carry out such activity under the applicable regulations. Pursuant to SEBI Circular No. MFD/CIR/9/120/2000 dated November 24, 2000, the AMC may constitute committee(s) to approve proposals for investments in unrated debt instruments. The AMC Board and the Trustee shall approve the detailed parameters for such investments. The details of such investments would be communicated by the AMC to the Trustee in their periodical reports. It would also be clearly mentioned in the reports, how the parameters have been complied with. However, in case any unrated debt security does not fall under the parameters, the prior approval of Board of AMC and Trustee shall be sought. Investment in debt instruments shall generally have a low risk profile and those in money market instruments shall have an even lower risk profile. The maturity profile of debt instruments will be selected in accordance with the AMC's view regarding current market conditions, interest rate outlook and the stability of ratings.

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

Investments in both equity and debt will be made through secondary market purchases, initial public offers, other public offers, placements and right offers (including renunciation). The securities could be listed, unlisted, privately placed, secured / unsecured, rated / unrated of any maturity.

■ Investment in Securitised Debt (Except HGF, HLTEF, HDFC Index Fund and HLTAF)

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

Generally available asset classes for securitisation in India are:

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

Investment / Risk Mitigation Strategy

1. Risk profile of securitised debt vis-à-vis risk appetite of the Scheme(s)

The risk profile of securitised debt is generally at par with the risk profile of other debt securities at the same level of credit

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

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

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

● Track record

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

● Willingness to pay through credit enhancement facilities etc.

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

● Ability to pay

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

● Business Risk Assessment

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

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

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

- Default track record/ frequent alteration of redemption conditions / covenants
- High leverage ratios of the ultimate borrower (for single-sell downs) - both on a standalone basis as well on a consolidated level/ group level

- Higher proportion of reschedulement of underlying assets of the pool or loan, as the case may be
- Higher proportion of overdue assets of the pool or the underlying loan, as the case may be
- Poor reputation in market
- Insufficient track record of servicing of the pool or the loan, as the case may be.

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

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

- Credit quality, size and reach of the originator
- Nature of receivables/asset category i.e. cars, construction equipment, commercial vehicles, personal loans etc.
- Collection process, infrastructure and follow-up mechanism
- Quality of MIS
- Credit cum liquidity enhancement

- Credit appraisal norms of originator
- Asset Quality - portfolio delinquency levels
- Past performance of rated pools
- Pool Characteristics - seasoning, Loan-to-value ratios, geographic diversity etc.

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

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

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

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

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

NA - Not Applicable

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

Notes:

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

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

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

- Size of the loan
- Average original maturity of the pool
- Loan to Value Ratio
- Average seasoning of the pool
- Default rate distribution

- Geographical Distribution
- Credit enhancement facility
- Liquid facility
- Structure of the pool

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

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

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

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

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

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

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

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

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

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

The Scheme(s) shall abide by the following guidelines for parking of funds in short term deposits:

1. "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
2. Such short-term deposits shall be held in the name of the Scheme.
3. The Scheme(s) shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee.
4. Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
5. The Scheme(s) shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
6. The Scheme(s) shall not park funds in short-term deposit of a bank, which has invested in the Scheme.

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

- The Scheme(s) may invest in other schemes managed by the AMC or in the schemes of any other mutual funds, provided it is in conformity with the investment objectives

of the Scheme and in terms of the prevailing SEBI (MF) Regulations. As per the SEBI (MF) Regulations, no investment management fees will be charged for such investments and the aggregate inter scheme investment made by all the schemes of HDFC Mutual Fund or in the schemes of other mutual funds shall not exceed 5% of the net asset value of the HDFC Mutual Fund.

- The Scheme(s) (except HDFC Index Fund) may also invest in suitable investment avenues in overseas financial markets for the purpose of diversification, commensurate with the Scheme objectives and subject to necessary stipulations by SEBI / RBI. Towards this end, the Mutual Fund may also appoint overseas investment advisors and other service providers, as and when permissible under the regulations. The Scheme may, with the approval of SEBI / RBI invest in :

- i. ADRs/ GDRs issued by Indian or foreign companies
- ii. Equity of overseas companies listed on recognized stock exchanges overseas
- iii. Initial and follow on public offerings for listing at recognized stock exchanges overseas
- iv. Foreign debt securities in the countries with fully convertible currencies, short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies
- v. Money market instruments rated not below investment grade
- vi. Repos in the form of investment, where the counterparty is rated not below investment grade; repos should not however, involve any borrowing of funds by mutual funds
- vii. Government securities where the countries are rated not below investment grade
- viii. Derivatives traded on recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities
- ix. Short term deposits with banks overseas where the issuer is rated not below investment grade
- x. Units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in (a) aforesaid securities, (b) Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or (c) unlisted overseas securities (not exceeding 10% of their net assets).

Mutual funds can make overseas investments [as stated in point (i) to (x) above] subject to a maximum of US \$300 million (limit per mutual fund subject to overall limit of US \$ 7 billion) or such limits as may be prescribed by SEBI from time to time.

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

The Mutual Fund may, where necessary appoint intermediaries as sub-managers, sub-custodians, etc. for

managing and administering such investments. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses.

■ Trading in Derivatives

(i) All Scheme(s) (except HMCOF, HLTEF, HINF, HAF & HDFC Index Fund)

The Scheme(s) may take derivatives position based on the opportunities available subject to the guidelines provided by SEBI from time to time and in line with the overall investment objective of the Scheme(s). The Fund has to comply with the prescribed disclosure requirements. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time. Hedging does not mean maximisation of returns but only reduction of systematic or market risk inherent in the investment. The Scheme(s) intend to take position in derivative instruments like Futures, Options, Interest Rate Swaps, Forward Rate Agreements and such other derivative instruments as may be permitted by SEBI from time to time.

The Scheme(s) intend to use derivatives mainly for the purpose of hedging and portfolio balancing. Losses may arise as a result of using derivatives, but these are likely to be compensated by the gains on the underlying cash instruments held by the Scheme(s). The Scheme(s) will not assume any leveraged exposure to derivatives.

(ii) HMCOF, HLTEF and HINF

The Scheme(s) may take derivative positions based on the opportunities available subject to the guidelines provided by SEBI from time to time and in line with the overall investment objective of the Scheme(s). The Fund has to comply with the prescribed disclosure requirements. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time. Hedging does not mean maximisation of returns but only reduction of systematic or market risk inherent in the investment. The Scheme(s) intends to take position in derivative instruments like Futures, Options, Interest Rate Swaps, Forward Rate Agreements, and such other derivative instruments as may be permitted by SEBI from time to time.

Pursuant to SEBI Circular No. DNPd/Cir-29/2005 dated September 14, 2005, the Scheme(s) shall be treated as Trading Members at par with a registered FII in respect of position limits in index futures, index options, stock options and stock futures contracts.

(iii) HDFC Index Fund

As part of the Fund Management process, the AMC may use the derivative instruments such as index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments that are permissible or may be permissible in future under applicable regulations and such investments shall be in accordance with the investment objectives of the Scheme.

Index futures are meant to be an efficient way of buying / selling an index compared to buying / selling a portfolio of physical shares representing an index for ease of execution and settlement.

Index futures can be an efficient way of achieving the Scheme's investment objective. Notwithstanding the pricing, they can

help in reducing the Tracking Error in the Scheme. Index futures may avoid the need for trading in individual components of the index, which may not be possible at times, keeping in mind the circuit filter system and the liquidity in some of the scrips. Index futures can also be helpful in reducing the transaction costs and the processing costs on account of ease of execution of one trade compared to several trades of shares of an index and will be easy to settle compared to physical portfolio of shares representing an index. The value of derivative contracts outstanding will be limited to 50% of the net assets of the respective Plans.

(iv) HAF

In pursuance of Investment Objective of the Scheme, the Scheme would use derivatives to generate income through arbitrage opportunities between cash and derivative market and arbitrage opportunities within the derivative segment subject to SEBI (MF) Regulations. The Scheme intends to take position in derivative instruments like Futures, Options, Interest Rate Swaps, Forward Rate Agreements, and such other derivative instruments as may be permitted by SEBI from time to time.

Pursuant to SEBI Circular No. DNPd/Cir-29/2005 dated September 14, 2005, the Scheme shall be treated as Trading Members at par with a registered FII in respect of position limits in index futures, index options, stock options and stock futures contracts.

Applicable to All Scheme(s)

Derivatives can be traded over the exchange or can be structured between two counter-parties. Those transacted over the exchange are called Exchange Traded derivatives whereas the other category is referred to as OTC (Over the Counter) derivatives.

Some of the differences of these two derivative categories are as under:

Exchange traded derivatives: These are quoted on the exchanges like any other traded asset class. The most common amongst these are the Index Futures, Index Options, Stock Futures and Options on individual equities / securities. The basic form of the futures contract is similar to that of the forward contract, a futures contract obligates its owner to purchase a specified asset at a specified exercise price on the contract maturity date. Futures are cash-settled and are traded only in organised exchanges. Exchange traded derivatives are standardised in terms of amount and delivery date. Standardisation and transparency generally ensures a liquid market together with narrower spreads. On the other hand, for delivery dates far in the future, there may be insufficient liquidity in the futures market whereas an OTC price may be available.

OTC derivatives: OTC derivatives require the two parties engaging in a derivatives transaction to come together through a process of negotiation. It is a derivative that is customised in terms of structure, amount, tenor, underlying assets, collateral etc. Some of the common examples are interest rate and currency swaps, Forward Rate Agreements (FRAs) etc.

Exposure to Derivatives

Please refer to **Pages 24-25** for the details of maximum exposure to investment in Derivatives by the Scheme(s). The limits on derivatives exposure per scrip/instrument and derivatives positions and limits are as per the table(s) below.

– Applicable to HEF, HT200, HCBF, HPF & HTS :

The maximum limit for each derivative position is as under:

Sr.	Derivative	Action	Description	Limit
1	Index futures	Buy	Buy futures against cash to protect against rising market	To the extent of cash / equivalents in the portfolio. Max. limit 10% of portfolio
2	Index Options - Call	Buy	Buy index calls against cash (existing /expected) to protect against rising market	To the extent of cash / equivalents in the portfolio. Max. limit 10% of portfolio
3	Stock futures	Buy	Buy against cash to protect against rising share prices	To the extent of cash / equivalents in the portfolio. Max. limit 10% of portfolio; per scrip limit 4%.
4	Stock futures	Sell	Sell against existing stock - Hedging against downside on existing stock in the face of expected volatility in the stock price	To the extent of the particular scrip holding in the portfolio; per scrip limit 10%.
5	Stock options - Call	Buy	Buy against cash to protect against rising share prices	To the extent of cash / equivalents in the portfolio. Max. limit 10% of portfolio; per scrip limit 4%
6	Stock options - Put	Buy	Purchase against existing stock. Hedging against downside on existing stock in the face of expected volatility in the stock price	To the extent of the particular scrip holding in the portfolio; per scrip limit 10%

Note : 1. Per Scrip Limit disclosed above is as a % of the equity portfolio of the Scheme. 2. In case of HDFC Prudence Fund, the above limits are applicable with respect to equity portfolio of the Scheme.

– Applicable to HGF, HLTAF & HBF :

The maximum limit for each derivative position is as under:

Sr.	Derivative	Action	Description	Limit
1	Index futures	Buy	Buy futures against cash to protect against rising market	To the extent of cash / equivalents in the portfolio. Max. limit (20%) of portfolio
2	Index Options - Call	Buy	Buy index calls against cash (existing /expected) to protect against rising market	To the extent of cash / equivalents in the portfolio. Max. limit (20%) of portfolio
3	Stock futures	Buy	Buy against cash to protect against rising share prices	To the extent of cash / equivalents in the portfolio. Max. limit (20%) of portfolio; per scrip limit (100%)
4	Stock futures	Sell	Sell against existing stock - Hedging against downside on existing stock in the face of expected volatility in the stock price	To the extent of the particular scrip holding in the portfolio; per scrip limit (100%)
5	Stock options - Call	Buy	Buy against cash to protect against rising share prices	To the extent of cash / equivalents in the portfolio. Max. limit (20%) of portfolio; per scrip limit (100%)
6	Stock options - Put	Buy	Purchase against existing stock. Hedging against downside on existing stock in the face of expected volatility in the stock price	To the extent of the particular scrip holding in the portfolio; per scrip limit (100%)

Note : The per scrip limit disclosed above is as a % of the holding in the scrip and not as a % of the portfolio of the Scheme.

– Applicable to HC&SF and HPMCF :

The maximum limit for each derivative position is as under:

Sr.	Derivative	Action	Description	Limit
1	Index futures	Buy	Buy futures against cash to protect against rising market	To the extent of cash / equivalents in the portfolio. Max. limit (50%) of portfolio
2	Index Options - Call	Buy	Buy index calls against cash (existing /expected) to protect against rising market	To the extent of cash / equivalents in the portfolio. Max. limit (50%) of portfolio
3	Stock futures	Buy	Buy against cash to protect against rising share prices	To the extent of cash / equivalents in the portfolio. Max. limit (50%) of portfolio; per scrip limit (100%)
4	Stock futures	Sell	Sell against existing stock - Hedging against downside on existing stock in the face of expected volatility in the stock price	To the extent of the particular scrip holding in the portfolio; per scrip limit (100%)
5	Stock options - Call	Buy	Buy against cash to protect against rising share prices	To the extent of cash / equivalents in the portfolio. Max. limit (50%) of portfolio; per scrip limit (100%)
6	Stock options - Put	Buy	Purchase against existing stock. Hedging against downside on existing stock in the face of expected volatility in the stock price	To the extent of the particular scrip holding in the portfolio; per scrip limit (100%)

Note : The per scrip limit disclosed above is as a % of the holding in the scrip and not as a % of the portfolio of the Scheme.

– Applicable to HDFC INDEX FUND :

The maximum limit for each derivative position is as under:

Sr.	Derivative	Action	Description	Limit
1	Index futures	Buy	Buy futures against cash to protect against rising market	To the extent of cash / equivalents in the portfolio. Max. limit (50%) of portfolio
2	Index futures	Sell	Hedging of portfolio against expected market downturn	Up to (50%) of equity portion of the fund
3	Index Options - Call	Buy	Buy index calls against cash (existing /expected) to protect against rising market	To the extent of cash / equivalents in the portfolio. Max. limit (50%) of portfolio
4	Index Options - Put	Buy	Buy index puts to hedge existing portfolio expected volatility in the stock price	Up to (50%) of equity portion of the fund

– Applicable to all Scheme(s) :

Position Limits

The position limits for trading in derivatives by Mutual Funds specified by SEBI vide SEBI Circular No. DNPd/Cir-29/2005 dated September 14, 2005, SEBI Circular No. DNPd/Cir -30/2006 dated January 20, 2006 and SEBI Circular No. SEBI/DNPd/Cir-31/2006 dated September 22, 2006 are as follows:

i. Position limit for Mutual Funds in index options contracts

- The Mutual Fund position limit in all index options contracts on a particular underlying index shall be ₹ 500 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
- This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for Mutual Funds in index futures contracts

- The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be ₹ 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.
- This limit would be applicable on open positions in all futures contracts on a particular underlying.

iii. Additional position limit for hedging

In addition to the position limits at point (i) and (ii) above, Mutual Funds may take exposure in equity index derivatives subject to the following limits :

- Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.
- Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, T-Bills and similar instruments.

iv. Position limit for Mutual Funds for stock based derivative contracts

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts will be as follows :-

- For stocks having applicable market-wide position limit (MWPL) of ₹ 500 crores or more, the combined futures and options position limit shall be 20% of applicable MWPL or ₹ 300 crores, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or ₹ 150 crores, whichever is lower.

- For stocks having applicable market-wide position limit (MWPL) less than ₹ 500 crores, the combined futures and options position limit would be 20% of applicable MWPL and futures position cannot exceed 20% of applicable MWPL or ₹ 50 crore whichever is lower.

v. Position limit for each scheme of a Mutual Fund

The scheme-wise position limit requirements shall be :

- For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a mutual fund shall not exceed the higher of:
1% of the free float market capitalization (in terms of number of shares). **or**
5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
- This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
- For index based contracts, Mutual Funds shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

Exposure Limits

The exposure limits for trading in derivatives by Mutual Funds specified by SEBI vide its Circular No. Cir/IMD/DF/11/2010 dated August 18, 2010 are as follows:

- The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
- Mutual Funds shall not write options or purchase instruments with em-bedded written options.
- The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
- Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
- Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
 - Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
 - Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions

shall have to be added and treated under limits mentioned in Point 1.

- c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
 - d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
6. Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.
 7. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.
 8. Definition of Exposure in case of Derivative Positions

Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

Position	Exposure
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option Bought	Option Premium Paid * Lot Size * Number of Contracts

RBI has issued guidelines on Interest Rate Swaps (IRS) and Forward Rate Agreements (FRA) on July 7, 1999. These products were introduced for deepening the country's money market. SEBI has also permitted trading of interest rate derivatives through Stock Exchanges. The Schemes may trade in these instruments.

Interest Rate Swaps (IRS)

All swaps are financial contracts, which involve exchange (swap) of a set of payments owned by one party for another set of payments owned by another party, usually through an intermediary (market maker). An IRS can be defined as a contract between two parties (Counter Parties) to exchange, on particular dates in the future, one series of cash flows, (fixed interest) for another series of cashflows (variable or floating interest) in the same currency and on the same principal for an agreed period of time. The exchange of cashflows need not occur on the same date.

It may be noted that in such hedged positions (fixed v/s floating or vice versa), both legs of the transactions have interest rate volatility as underlying.

Forward Rate Agreements (FRA)

A FRA is an agreement between two counter parties to pay or to receive the difference between an agreed fixed rate (the FRA rate) and the interest rate prevailing on a stipulated future date, based on a notional amount, for an agreed period. In short, in a FRA, interest rate is fixed now for a future period. The special feature of FRAs is that the only payment is the difference

between the FRA rate and the Reference rate and hence are single settlement contracts. As in the case of IRS, notional amounts are not exchanged.

E. WHAT ARE THE INVESTMENT STRATEGIES? INVESTMENT STRATEGIES AND RISK CONTROL

HDFC GROWTH FUND

The investment approach will be based on a set of well established but flexible principles that emphasise the concept of sustainable economic earnings and cash return on investment as the means of valuation of companies.

Five basic principles serve as the foundation for this investment approach. They are as follows :

■ Focus on the long term

There is substantive empirical evidence to suggest that equities provide the maximum risk adjusted returns over the long term. In an attempt to take full advantage of this phenomenon, investments would be made with a long term perspective.

■ Investments confer proportionate ownership

The approach to valuing a company is similar to making an investment in a business. Therefore, there is a need to have a comprehensive understanding of how the business operates. The key issues to focus on are growth opportunities, sustainable competitive advantage, industry structure and margins and quality of the management.

■ Maintain a margin of safety

The benchmark for determining relative attractiveness of stocks would be the intrinsic value of the business. The Investment Manager would endeavor to purchase stocks that represent a discount to this value, in an effort to preserve capital and generate superior growth.

■ Maintain a balanced outlook on the market

The investment portfolio would be regularly monitored to understand the impact of changes in business and economic trend as well as investor sentiment. While short-term market volatility would affect valuations of the portfolio, this is not expected to influence the decision to own fundamentally strong companies.

■ Disciplined approach to selling

The decision to sell a holding would be based on either the anticipated price appreciation being achieved or being no longer possible due to a change in fundamental factors affecting the company or the market in which it competes, or due to the availability of an alternative that, in the view of the Investment Manager, offers superior returns.

In order to implement the investment approach effectively, it would be important to periodically meet the management face to face. This would provide an understanding of their broad vision and commitment to the long-term business objectives. These meetings would also be useful in assessing key determinants of management quality such as orientation to minority shareholders, ability to cope with adversity and approach to allocating surplus cash flows. Discussion with management would also enable benchmarking actual performance against stated commitments.

In summary, the Investment Strategy is expected to be a function of extensive research and based on data and reasoning, rather

than current fashion and emotion. The objective will be to identify **“businesses with superior growth prospects and good management, at a reasonable price”**.

The Scheme will retain the flexibility to invest in the entire range of debt instruments and money market instruments. Investment in Debt securities and Money Market Instruments will be as per the limits in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations. Please refer to ‘Debt securities’ and ‘Money Market Instruments’ under the section **‘WHERE WILL THE SCHEME(S) INVEST’** on **Page 27**.

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

HDFC EQUITY FUND

In order to provide long term capital appreciation, the Scheme will invest predominantly in growth companies. Companies selected under this portfolio would as far as practicable consist of medium to large sized companies which:

- a) are likely to achieve above average growth than the industry;
- b) enjoy distinct competitive advantages, and
- c) have superior financial strengths.

The aim will be to build a portfolio, which represents a cross-section of the strong growth companies in the prevailing market. In order to reduce the risk of volatility, the Scheme will diversify across major industries and economic sectors.

A part of the funds may be invested in debt and money market instruments. The Scheme will retain the flexibility to invest in the entire range of debt instruments and money market instruments. Investment in Debt securities (including securitised debt) and Money Market Instruments will be as per the limits in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations. Please refer to ‘Debt securities’ and ‘Money Market Instruments’ under the section **‘WHERE WILL THE SCHEME(S) INVEST’** on **Page 27**.

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

The Scheme may also invest a part of its corpus, not exceeding 40% of its net assets, in overseas markets in Global Depository Receipts (GDRs), ADRs, overseas equity, bonds and mutual funds and such other instruments as may be allowed under the Regulations from time to time. Please refer to the Section on Policy on off-shore Investments by the Scheme(s).

Subject to the Regulations and the applicable guidelines, the Scheme may, engage in Stock Lending activities. Please refer to the Section on **Page 24** on Stock Lending by the Fund.

If the investment in equities and related instruments falls below 70% of the portfolio of the Scheme at any point in time, it would be endeavoured to review and rebalance the composition.

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

HDFC TOP 200 FUND

The investment strategy of primarily restricting the equity portfolio to the BSE 200 Index scrips is intended to reduce risks while maintaining steady growth. Stock specific risk will be minimised by investing only in those companies / industries that have been thoroughly researched by the investment manager's research team. Risk will also be reduced through a diversification of the portfolio.

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

The Scheme may also invest a part of its net assets, not exceeding 40% of its net assets, in overseas markets in Global Depository Receipts (GDRs), ADRs, overseas equity, bonds and mutual funds and such other instruments as may be allowed under the Regulations from time to time. Please refer to the Section on Investment by Schemes in **ADR/GDR/Foreign Securities** on **Pages 24-25**.

Subject to the Regulations and the applicable guidelines, the Scheme may, engage in Stock Lending activities. Please refer to the Section on Stock Lending by the Fund.

If the investment in equities and related instruments falls below 65% of the portfolio of the Scheme at any point in time, it would be endeavoured to review and rebalance the composition.

The Trustee may from time to time at their absolute discretion review and modify the strategy, provided such modification is in accordance with the Regulations or in the event of a discontinuation of or change in the compilation or the constituents of the BSE 200 Index.

The Scheme will retain the flexibility to invest in the entire range of debt instruments and money market instruments. Investment in Debt securities (including securitised debt) and Money Market Instruments will be as per the limits in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations. Please refer to ‘Debt securities’ and ‘Money Market Instruments’ under **section ‘WHERE WILL THE SCHEME(S) INVEST’** on **Page 27**.

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

HDFC CAPITAL BUILDER FUND

This Scheme aims to achieve its objectives by investing in strong companies at prices which are below fair value in the opinion of the Fund Manager.

The Scheme defines a "strong company" as one that has the following characteristics:

- strong management, characterized by competence and integrity
- strong position in its business (preferably market leadership)
- efficiency of operations, as evidenced by profit margins and asset turnover, compared to its peers in the industry
- working capital efficiency
- consistent surplus cash generation
- high profitability indicators (returns on funds employed)

In common parlance, such companies are also called 'Blue Chips'.

The Scheme defines "reasonable prices" as:

- a market price quote that is around 30% lower than its value, as determined by the discounted value of its estimated future cash flows
- a P/E multiple that is lower than the company's sustainable return on funds employed
- a P/E to growth ratio that is lower than those of the company's competitors
- in case of companies in cyclical businesses, a market price quote that is around 50% lower than its estimated replacement cost

Note: The Scheme does not consider it essential for all companies in the portfolio to satisfy all these criteria. These are used as guidelines for assessing the valuation of companies.

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

The Scheme may also invest a part of its net assets, not exceeding 40% of its net assets, in overseas markets in Global Depository Receipts (GDRs), ADRs, overseas equity, bonds and mutual funds and such other instruments as may be allowed under the Regulations from time to time. Please refer to the Section **Investments by the Scheme(s) in ADR/GDR/ Foreign Securities** on **Pages 24-25**.

Subject to the Regulations and the applicable guidelines, the Scheme may, engage in Stock Lending activities. Please refer to the Section on **Page 24** on Stock Lending by the Fund.

If the investment in equities and related instruments falls below 70% of the portfolio of the Scheme at any point in time, it would be endeavoured to review and rebalance the composition.

The Scheme will retain the flexibility to invest in the entire range of debt instruments and money market instruments. Investment in Debt securities (including securitised debt) and Money Market Instruments will be as per the limits in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations. Please refer to 'Debt securities' and 'Money Market Instruments' under the section **'WHERE WILL THE SCHEME(S) INVEST'** on **Page 27**.

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

HDFC CORE & SATELLITE FUND

The net assets of the Scheme will be invested primarily in equity and equity related instruments in a portfolio comprising of 'Core' group of companies and 'Satellite' group of companies. The 'Core' group will comprise of well established and predominantly large cap companies whereas the 'Satellite' group will comprise of predominantly small-mid cap companies that offer higher potential returns but at the same time carry higher risk. The 'Satellite' group will complement the 'Core' group.

The companies that will comprise the 'Core' group will have the following characteristics:

1. Companies with a long and successful track record.
2. Companies that enjoy leading positions in their markets (say No. 1/2/3) and have significant competitive advantages.
3. Companies that are available below their intrinsic value. Such companies typically will be large cap companies. Large cap companies are generally those companies with market capitalisation of more than ₹ 2,500 crore. The number of stocks in this category is expected to be in the range of 10-20 and the average exposure per company will thus be between 3-8% of the portfolio.

The 'Core' portion is expected to be between 60-80% of the portfolio.

The companies that will comprise the 'Satellite' group of companies will be predominantly small-mid cap companies that offer higher potential returns compared to the companies in the 'Core' group but at the same time will also carry higher risk. Small-mid cap companies are generally those companies with market capitalisation of less than ₹ 2,500 crore. The higher potential for returns will be on account for one or more of the following reasons:

1. Higher growth potential either because of presence in an emerging area or a new business model or because of smaller size.
2. New technology/research driven company without much commercial success till present.
3. A turnaround case.
4. An out-of-favour or an ignored company, i.e. a company facing a temporary setback as a result of which the stock price is depressed and / or the stock is not actively covered by analysts.
5. A company expected to benefit significantly on account of changes in the external environment e.g. commodity prices, exchange rates, etc.

Such companies typically will be small to mid cap companies. The number of stocks in the category will be in the range of 10-20 and the average exposure per company will thus be between 1-4% of the portfolio. The intention behind keeping lower exposure to these individual stocks is to diversify the higher risk in these stocks and thus limit portfolio risk.

The 'Satellite' portion is expected to be in 20-40% of the portfolio.

The main rationale behind this portfolio structuring in the Scheme is given hereunder:

The two portions of the portfolio viz., Core (60-80%) of well established low risk companies and the Satellite (20-40%) of higher return potential (and also higher risk) companies are complementary to each other. The composite characteristics of the two portions and therefore of the Scheme are expected to be as follows :

	Return expectations	Risk profile
Core	Average	Low
Satellite	High	High
Total Scheme	Above average	Average

In other words, the 'Core' group will provide stability to the Scheme and the 'Satellite' group will provide the potential for higher returns. The satellite portion of the Scheme will be more diversified to reduce the higher risk in individual stocks in that portion of the Scheme.

In order to implement the investment approach effectively, it would be important to periodically meet the management face to face. This would provide an understanding of their broad vision and commitment to the long-term business objectives. These meetings would also be useful in assessing key determinants of management quality such as orientation to minority shareholders, ability to cope with adversity and approach to allocating surplus cash flows. Discussions with management would also enable benchmarking actual performance against stated commitments.

The Scheme will retain the flexibility to invest in the entire range of debt instruments and money market instruments. Investment in Debt securities (including securitised debt) and Money Market Instruments will be as per the limits in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations. Please refer to 'Debt securities' and 'Money Market Instruments' under the section '**WHERE WILL THE SCHEME(S) INVEST**' on **Page 27**.

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

HDFC PREMIER MULTI-CAP FUND

The net assets of the Scheme will be invested primarily in equity and equity related instruments.

The primary objective of the Scheme is to generate capital appreciation in the long term through equity investments in a diversified portfolio of Mid Cap and Large Cap 'blue chip' companies.

As the name suggests, the Scheme will invest predominantly in 'premier' or 'blue chip' companies. A premier or blue chip company is typically a company with a successful track record, has reasonable competitive advantages in its business and has an able management.

It has been observed that while Mid Cap companies offer potential for higher returns, the risk associated with them is also higher. In order to manage the higher risk associated with Mid Caps, the following investment strategy is proposed for the Scheme:

Invest a minimum of 35% of the Scheme each in Large Caps and in Mid Caps. The balance of the Scheme will be a 'swing portfolio' that can invest in either Mid Caps or Large Caps. The allocation of the swing portion between Large Caps and Mid Caps will be a function of the relative valuations of Large Caps vs Mid Caps.

Past experience suggests that at varying times, Mid Caps trade at varying discounts (and sometimes at a premium) to the Large Caps and this gives opportunities in terms of asset allocation between Mid Caps and Large Caps. The 'swing' portion of the Scheme will invest in either Large Caps or Mid Caps depending on which is relatively more attractive.

This composition will, in our opinion, optimally combine the merits of targeting higher returns from Mid Cap companies, the risk control offered by investing in Large Caps and the additional returns that are targeted from the swing strategy.

To summarize this Scheme has three advantages:

1. Exposure to Mid Caps which have higher growth potential.
2. Control risk of Mid Caps by confining such investments to

"premier" / "blue chip" companies; further exposure to Mid Caps will be increased only if they are relatively cheaper / more attractive than Large Caps

3. "Swing" portion to optimize asset allocation.

In order to implement the investment approach effectively, it would be important to periodically meet the management face to face. This would provide an understanding of their broad vision and commitment to the long-term business objectives. These meetings would also be useful in assessing key determinants of management quality such as orientation to minority shareholders, ability to cope with adversity and approach to allocating surplus cash flows. Discussions with management would also enable benchmarking actual performance against stated commitments.

The Scheme will retain the flexibility to invest in the entire range of debt instruments and money market instruments. Investment in Debt securities (including securitised debt) and Money Market Instruments will be as per the limits in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations. Please refer to 'Debt securities' and 'Money Market Instruments' under the section '**WHERE WILL THE SCHEME(S) INVEST**' on **Page 27**.

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

HDFC MID-CAP OPPORTUNITIES FUND

The investment objective of the Scheme is to generate long-term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities of Small and Mid-Cap companies.

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

Small and Mid-Cap companies offer higher return potential than large cap companies on one hand but also carry higher risk than large cap companies, particularly over the short and medium term. The following are some of the reasons why Small / Mid cap companies offer higher return potential.

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

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

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

HDFC LONG TERM EQUITY FUND

The investment strategy of the Scheme is to build and maintain a diversified portfolio of equity stocks that have the potential to appreciate in the long run. Companies identified for selection in the portfolio will have demonstrated a potential ability to grow at a reasonable rate for the long term.

The aim will be to build a portfolio that adequately reflects a cross-section of the growth areas of the economy from time to time. While the portfolio focuses primarily on a buy and hold strategy at most times, it will balance the same with a rational approach to selling when the valuations become too demanding even in the face of reasonable growth prospects in the long run.

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

HDFC INFRASTRUCTURE FUND

The Scheme shall invest predominantly in equity and equity related securities of companies engaged in or expected to benefit from the growth and development of infrastructure. The Scheme shall invest in the indicative list of sectors / industries as mentioned in the section 'WHERE WILL THE SCHEME INVEST?' on Page 27.

The Scheme shall invest across the above-mentioned sectors or other areas of infrastructure as identified by the Fund Manager. The Fund Manager may add such other sector/group of industries, which broadly satisfy the category of services, and infrastructure industries.

The scheme may also invest upto 35% of the fund in non-infrastructure related companies. The Scheme shall invest across all market capitalization.

The balance, if any, will be invested in Debt or Money Market Instruments and Fixed Income Derivative, including Securitised debt.

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

HDFC ARBITRAGE FUND

The equity derivative markets have experienced enormous growth during the last few years. The market provides ability to the investor to derive returns from the implied cost of carry between the underlying and the derivatives market. This provides an opportunity to provide returns, possibly higher than the short-term interest rate without taking the market risk. Implied cost of carry and mis-pricing across the spot, futures and options markets can lead to profitable arbitrage opportunities. The Scheme would carry out simple strategies, which would be to take offsetting positions on various markets simultaneously. The overall risk the Scheme would carry would be that of being market neutral i.e. no specific equity risk. However, when such opportunities are not available, the scheme may invest in short term debt or money market securities. The Scheme would not attempt to leverage or have short positions.

The strategies, the Scheme may adopt could be as under. The list is not exhaustive and the Scheme could use similar strategies as available in the markets.

Domestic Trades

Index / Stock spot - Index / Stock Futures

The pricing of the futures is derived from underlying Nifty spot or the underlying stock. It is the cost of carry that binds the value of the futures to the underlying portfolio. When the two go out of sync, there are opportunities.

The cost of carry binds the futures price to the price of the underlying asset. The price of the futures at any given instance should typically be more than the level of Nifty at that point. Theoretically, the fair value of the futures is equal to the price of the underlying plus the cost of carry i.e. the interest rate prevailing for an equivalent credit risk, in this case is the Clearing Corporation of the Exchange. Cash and carry trades at times provide higher than the prevailing interest rates. There is an opportunity to exploit by selling the overpriced futures and buying the underlying portfolio. It may also happen that the Index / Stock Future may be at a discount. In such cases, the Scheme may buy the future and sell the stock after borrowing the same. The Scheme shall enter into a combination of the transactions simultaneously.

Example of the Derivative Strategies

● Stock Spot Vs Stock Futures

Suppose on 25-01-2010 the Scheme buys 10,000 shares of XYZ on spot @ ₹ 144.80/- and at the same time sells 10,000 XYZ Futures for February 2010 expiry (February 25, 2010) @ ₹ 146.35/-. The Scheme thus enters into a fully hedged transaction by selling the long position in the futures market for expiry in February 2010. The transaction also enables the Scheme to earn an annualised return of 13.95% (before all expenses), provided that the Scheme holds the securities till expiry.

● Index Spot Vs Index Futures

Suppose the current month Nifty Spot is 4300 and Nifty Index Future is trading at 4338 i.e. at a premium of 0.90% to the spot, the Scheme will buy the basket of index stocks in the cash market and sell the index future at 4338 thus capturing the spread of ₹ 38 (i.e. 4338-4300). On expiry ideally Nifty Index Future should converge to the spot generating an annualized return of 10.80% (before all expenses).

If the Scheme has to unwind the positions prior to the expiry on account of redemptions or any other reason, the returns would depend on the spread between the spot and futures price at which the position is unwound.

If the price differential between the spot and futures position of the subsequent month maturity is attractive near the expiry date, then the scheme may rollover* the futures position and continue with the position in the spot market.

* Rollover means unwinding the short position in the futures of the near month and simultaneously shorting the futures of the subsequent month.

The Scheme shall endeavour to deploy its assets through transactions in the above pattern, which may involve Index Futures with Stock Futures or Futures of the same stock with different expiry months. The investment pattern of the Scheme will reflect fully hedged position and at no point of time the Scheme will have any un-hedged position.

ADR / GDR - underlying shares

In two-way fungibility, depository receipts can be converted into underlying domestic shares and local shares can be reconverted into depository receipts. The depository receipts could either be Global Depository Receipts (GDRs) or American Depository Receipts (ADRs). GDRs are listed on the London or the Luxembourg Stock Exchange, while ADRs are listed on the US exchanges like the New York Stock Exchange (NYSE) or the Nasdaq. Since every GDR / ADR has a given number of underlying shares, the number of shares qualifying for re-conversion into GDRs / ADRs is limited to the number of shares, which were converted into local shares.

Say for instance that the ADR / GDR price is at a discount to the price of the underlying share. Converting the ADR / GDRs into the underlying shares can now result in a gain. If the ADR / GDR price is at a premium to the price of the underlying shares, then it makes sense to re-convert the underlying shares into depository receipts. All this is subject to headroom or the availability of shares for re-conversion. Say for example a particular company has issued 10 million ADRs with one underlying share per ADR. Two million ADRs have been re-converted into local shares. Therefore two million local shares can be converted to ADRs. Here the intention is to capture the spread due to mis pricing in ADR/GDR and the equivalent local shares, through simultaneous long or short positions.

Corporate Action / Event Driven Strategies

Dividend Arbitrage

Around dividend declaration time, the stock futures / options market can provide a profitable opportunity. Generally, the stock price decline by the dividend amount when the stock goes ex-dividend.

Buy-Back Arbitrage

When the Company announces the buy-back of its own shares, there could be opportunities due to price differential in buy-back price and traded price.

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

The Scheme may also invest in suitable investment avenues in overseas financial markets for the purpose of diversification, commensurate with the Scheme objectives and subject to necessary stipulations by SEBI / RBI. Towards this end, the Mutual Fund may also appoint overseas investment advisors and other service providers, as and when permissible under the regulations.

The Scheme will retain the flexibility to invest in the entire range of debt instruments and money market instruments. Investment in Debt securities (including securitised debt) and Money Market Instruments will be as per the limits in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations. Please refer to 'Debt securities' and 'Money Market Instruments' under the section '**WHERE WILL THE SCHEME(S) INVEST**' on **Page 27**.

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

HDFC INDEX FUND

The SENSEX Plan and the Nifty Plan will be managed passively with investments in stocks in a proportion that is as close as possible to the weightages of these stocks in the respective indices. The investment strategy would revolve around reducing the tracking error to the least possible through regular rebalancing of the portfolio, taking into account the change in weights of stocks in the indices as well as the incremental collections / redemptions from these Plans.

The SENSEX Plus Plan will be passively managed to the extent of 80-90% of the net assets of the Plan and would follow similar investment strategy as for the SENSEX and the Nifty Plan, for this component. The actively managed portion of 10-20% of net assets of the Plan would be invested in stocks that have been identified as having high probability to outperform the SENSEX. The Investment Manager would follow the process of in-depth research to identify such candidates from stocks other than those comprising the SENSEX, for potential investment.

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

Though every endeavor will be made to achieve the objectives of the Scheme, the AMC/Sponsors/Trustees do not guarantee that the investment objectives of the Plan(s) under the Scheme will be achieved. No guaranteed returns are being offered under the Plan(s) under the Scheme.

As at March 30, 2012 the scrips and the weightages of the S&P CNX Nifty are as follows:

Sr. No.	Name of the Scrip	WEIGHTAGE (%)
1	ACC Ltd.	0.78
2	Ambuja Cements Ltd.	0.80
3	Axis Bank Ltd.	1.81
4	Bajaj Auto Ltd.	1.38
5	Bharat Heavy Electricals Ltd.	1.24
6	Bharat Petroleum Corpn. Ltd.	0.55
7	Bharti Airtel Ltd.	2.48
8	Cairn India Ltd.	0.75
9	Cipla Ltd.	0.95
10	Coal India Ltd.	1.33
11	DLF Ltd.	0.45
12	Dr. Reddy's Laboratories Ltd.	1.36
13	GAIL (India) Ltd.	1.04
14	Grasim Industries Ltd.	1.01
15	HCL Technologies Ltd.	0.73
16	HDFC Bank Ltd.	5.74
17	Hero Motocorp Ltd.	1.20
18	Hindalco Industries Ltd.	1.02
19	Hindustan Unilever Ltd.	2.58
20	Housing Development Finance Corpn. Ltd.	6.09
21	ICICI Bank Ltd.	6.29
22	ITC Ltd.	7.49
23	Infosys Ltd.	8.47
24	Infrastructure Development Finance Co. Ltd.	1.01
25	Jaiprakash Associates Ltd.	0.57
26	Jindal Steel & Power Ltd.	1.29

Sr. No.	Name of the Scrip	WEIGHTAGE (%)
27	Kotak Mahindra Bank Ltd.	1.24
28	Larsen & Toubro Ltd.	4.31
29	Mahindra & Mahindra Ltd.	1.97
30	Maruti Suzuki India Ltd.	1.09
31	NTPC Ltd.	1.27
32	Oil & Natural Gas Corpn. Ltd.	2.91
33	Power Grid Corpn. of India Ltd.	0.94
34	Punjab National Bank	0.75
35	Ranbaxy Laboratories Ltd.	0.44
36	Reliance Communications Ltd.	0.34
37	Reliance Industries Ltd.	7.76
38	Reliance Infrastructure Ltd.	0.49
39	Reliance Power Ltd.	0.39
40	Sesa Goa Ltd.	0.47
41	Siemens Ltd.	0.40
42	State Bank of India	3.31
43	Steel Authority of India Ltd.	0.34
44	Sterlite Industries (India) Ltd.	0.96
45	Sun Pharmaceutical Industries Ltd.	1.31
46	Tata Consultancy Services Ltd.	3.63
47	Tata Motors Ltd.	2.95
48	Tata Power Company Ltd.	1.00
49	Tata Steel Ltd.	1.94
50	Wipro Ltd.	1.38
		100.00

As at March 30, 2012 the scrips and the weightages of the SENSEX are as follows:

Sr. No.	Name of the Scrip	WEIGHTAGE (%)
1	Bajaj Auto Ltd.	1.66
2	Bharat Heavy Electricals Ltd.	1.51
3	Bharti Airtel Ltd.	3.07
4	Cipla Ltd.	1.09
5	Coal India Ltd.	1.49
6	DLF Ltd.	0.59
7	GAIL (India) Ltd.	1.30
8	HDFC Bank Ltd.	6.68
9	Hero Motocorp Ltd.	1.41
10	Hindalco Industries Ltd.	1.19
11	Hindustan Unilever Ltd.	3.03
12	Housing Development Finance Corpn. Ltd.	6.80
13	ICICI Bank Ltd.	7.01
14	ITC Ltd.	8.49
15	Infosys Ltd.	9.58
16	Jindal Steel & Power Ltd.	1.57
17	Larsen & Toubro Ltd.	4.93
18	Mahindra & Mahindra Ltd.	2.20
19	Maruti Suzuki India Ltd.	1.34
20	N T P C Ltd.	1.84
21	Oil & Natural Gas Corpn. Ltd.	3.92
22	Reliance Industries Ltd.	9.24
23	State Bank Of India	4.10
24	Sterlite Industries (India) Ltd.	1.15
25	Sun Pharmaceutical Industries Ltd.	1.62
26	Tata Consultancy Services Ltd.	4.70
27	Tata Motors Ltd.	3.31
28	Tata Power Company Ltd.	1.15
29	Tata Steel Ltd.	2.19
30	Wipro Ltd.	1.85
		100.00

TRACKING ERROR

While the objective of the Scheme is to closely track the respective indices, the performance may not be commensurate with the performance of the Nifty / SENSEX on any given day or over any given period. Such variations are commonly referred to as the tracking error. Tracking errors, as defined elsewhere in this document, may result from a variety of factors including but not limited to:

- any delay experienced in the purchase or sale of shares due to illiquidity of the market, settlement and realisation of sale proceeds and / or the registration of any securities transferred and / or any delays in receiving cash dividends and resulting delays in reinvesting them.
- the Nifty / SENSEX reflect the prices of securities at close of business hours. However, the Fund may buy or sell the securities at different points of time during the trading session at the then prevailing prices which may not correspond to the closing prices on the NSE / BSE.
- IISL in case of the Nifty, and BSE Limited in case of SENSEX undertake the periodical review of the scrips that comprise the Nifty / SENSEX respectively and may either exclude or include new securities. In such an event, the Fund will endeavour to reallocate its portfolio but the available investment/ disinvestment opportunities may not permit precise mirroring of the Nifty / SENSEX in a short period of time.
- the charging of expenses to the Fund including investment management fees and custodian fees.
- the potential for trades to fail which may result in the Scheme not having acquired shares at a price necessary to track the index.
- the holding of a cash position and accrued income prior to distribution and accrued expenses.
- Disinvestments to meet redemptions, recurring expenses, dividend payouts etc.

RISK CONTROL

For the SENSEX Plan, the Nifty Plan and the proportion of the SENSEX Plus Plan that would be managed similar to the SENSEX Plan, risks would be the impact cost on securities, the delayed communication of weightage changes by the index service providers and the delayed calculation of net change in assets of each of the Plans, amongst others.

It is proposed to manage the risks by placing limit orders for basket trades and other trades, proactive follow-up with the service providers for daily change in weights in the respective indices as well as monitor daily inflows and outflows to and from the Fund closely.

While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

Risk control for the actively managed portion of the SENSEX Plus Plan would entail setting limits for single stock and single industry exposures by the Investment committee for this portion, subject to SEBI (MF) Regulations.

HDFC LONG TERM ADVANTAGE FUND

The funds collected under the Scheme shall be invested in equities, cumulative convertible preference shares and fully convertible debentures and bonds of companies. Investment may be made in partly convertible debentures and bonds including those issued on a rights basis subject to the condition that, as far as possible, the non convertible portion of the

debenture so acquired or subscribed shall be disinvested within a period of 12 months.

It shall be ensured that funds of the Scheme shall remain invested to the extent of atleast 80% in securities specified above. In exceptional circumstances, this requirement may be dispensed with by the AMC, in order that the interest of the Unit holders are protected.

Pending investment of funds of the Scheme in the required manner, the AMC may invest the funds of the Scheme in short-term money market instruments or other liquid instruments or both. After 3 years from the date of allotment of the Units, the Mutual Fund may hold upto 20% of net assets of the Scheme in short-term money market instruments.

The investment approach will be based on a set of well established but flexible principles that emphasise the concept of sustainable economic earnings and cash return on investment as the means of valuation of companies.

Five basic principles serve as the foundation for this investment approach. They are as follows :

■ **Focus on the long term**

There is substantive empirical evidence to suggest that equities provide the maximum risk adjusted returns over the long term. In an attempt to take full advantage of this phenomenon, investments would be made with a long term perspective.

■ **Investments confer proportionate ownership**

The approach to valuing a company is similar to making an investment in a business. Therefore, there is a need to have a comprehensive understanding of how the business operates. The key issues to focus on are growth opportunities, sustainable competitive advantage, industry structure and margins and quality of the management.

■ **Maintain a margin of safety**

The benchmark for determining relative attractiveness of stocks would be the intrinsic value of the business. The Investment Manager would endeavor to purchase stocks that represent a discount to this value, in an effort to preserve capital and generate superior growth.

■ **Maintain a balanced outlook on the market**

The investment portfolio would be regularly monitored to understand the impact of changes in business and economic trend as well as investor sentiment. While short-term market volatility would affect valuations of the portfolio, this is not expected to influence the decision to own fundamentally strong companies.

■ **Disciplined approach to selling**

The decision to sell a holding would be based on either the anticipated price appreciation being achieved or being no longer possible due to a change in fundamental factors affecting the company or the market in which it competes, or due to the availability of an alternative that, in the view of the AMC, offers superior returns.

In order to implement the investment approach effectively, it would be important to periodically meet the management face to face. This would provide an understanding of their broad vision and commitment to the long-term business objectives. These meetings would also be useful in assessing key determinants of management quality such as orientation to minority shareholders, ability to cope with adversity and approach to allocating surplus cash flows. Discussion with management would also enable benchmarking actual performance against stated commitments.

In summary, the Investment Strategy is expected to be a function of extensive research and based on data and reasoning, rather than current fashion and emotion. The objective will be to identify **“businesses with superior growth prospects and good management, at a reasonable price”**.

The Scheme will retain the flexibility to invest in the entire range of debt instruments and money market instruments. Investment in Debt securities (including securitised debt) and Money Market Instruments will be as per the limits in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations. Please refer to ‘Debt securities’ and ‘Money Market Instruments’ under the section **‘WHERE WILL THE SCHEME(S) INVEST’** on **Page 27**.

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

HDFC TAXSAVER

The funds collected under the Scheme shall be invested in equities, cumulative convertible preference shares and fully convertible debentures and bonds of companies. Investment may be made in partly convertible debentures and bonds including those issued on a rights basis subject to the condition that, as far as possible, the non convertible portion of the debenture so acquired or subscribed shall be disinvested within a period of 12 months.

It shall be ensured that funds of the Scheme shall remain invested to the extent of atleast 80% in securities specified above. In exceptional circumstances, this requirement may be dispensed with by the AMC, in order that the interest of the Unit holders are protected.

Pending investment of funds of the Scheme in the required manner, the AMC may invest the funds of the Scheme in short-term money market instruments or other liquid instruments or both. After 3 years from the date of allotment of the Units, the Mutual Fund may hold upto 20% of net assets of the Scheme in short-term money market instruments.

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

The Scheme may also invest a part of its net assets, not exceeding 40% of its net assets, in overseas markets in Global Depository Receipts (GDRs), ADRs, overseas equity, bonds and mutual funds and such other instruments as may be allowed under the Regulations from time to time. Please refer to the Section **Investments by the Scheme(s) in ADR/GDR/ Foreign Securities** on **Pages 24-25**.

Subject to the Regulations and the applicable guidelines, the Scheme may, engage in Stock Lending activities. Please refer to the Section on **Page 24** on Stock Lending by the Fund.

The ELSS (Equity Linked Savings Scheme) guidelines, as applicable, would be adhered to in the management of this Scheme.

If the investment in equities and related instruments falls below 80% of the portfolio of the Scheme at any point in time, it would be endeavoured to review and rebalance the composition.

The Scheme will retain the flexibility to invest in the entire range of debt instruments and money market instruments. Investment in Debt securities (including securitised debt) and Money Market Instruments will be as per the limits in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations. Please refer to 'Debt securities' and 'Money Market Instruments' under the section '**WHERE WILL THE SCHEME(S) INVEST**' on **Page 27**.

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

HDFC BALANCED FUND

The balanced product is positioned as a lower risk alternative to a pure equities scheme, while retaining some of the upside potential from equities exposure. The Scheme provides the Investment Manager with the flexibility to shift allocations in the event of a change in view regarding an asset class.

Asset allocation between equities and debt is a critical function in a balanced fund. It is proposed to continuously monitor the potential for both debt and equities to arrive at a dynamic allocation between the asset classes.

The equity and debt portfolios of the Scheme would be managed as per the respective investment strategies detailed herein.

■ Equity Investments :

The investment approach would be based on the concept of economic earning power and cash return on investments.

Five basic principles serve as the foundation for this investment approach. They are as follows :

- Focus on long term growth.
- View our investments as conferring a proportionate ownership of the business.
- Maintain a margin of safety (i.e. the price of purchase represents a discount to the intrinsic value of that business).
- Maintain a balanced outlook on the market by regularly monitoring economic trends and investor sentiment.
- The decision to sell a holding would be based on one of three reasons :
 - The anticipated price appreciation has been achieved or is no longer probable.
 - Alternative investments offer superior total return prospects, or
 - A fundamental change has occurred in the company or the market in which it competes.

In summary, the assessment of investment value is a function of extensive research and based on data and reasoning, rather than current fashion and emotion. The idea is to develop a model that allow us to identify **"businesses with superior growth prospects and good management, at a reasonable price."**

In order to implement the investment approach effectively, it would be important to periodically meet the management face to face. This would provide an understanding of their broad vision and commitment to the long-term business objectives. These meetings would also be useful in assessing key determinants of management quality such as orientation to minority shareholders, ability to cope with adversity and approach to allocating surplus cash flows. Discussions with management would also enable benchmarking actual performance against stated commitments.

■ Debt Investments :

The Scheme will retain the flexibility to invest in the entire range of debt instruments (including securitised debt) and money market instruments. Investment in Debt securities and Money Market Instruments will be as per the limits in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations. Please refer to 'Debt securities' and 'Money Market Instruments' under the section '**WHERE WILL THE SCHEME(S) INVEST**' on **Page 27**.

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

HDFC PRUDENCE FUND

The investments in the Scheme will comprise both debt and equities. The Fund would invest in Debt instruments such as Government securities, money market instruments, securitised debts, corporate debentures and bonds, preference shares, quasi Government bonds, and in equity shares. In the long term, the mix between debt instruments and equity instruments is targeted between 25:75 and 40:60 respectively. The exact mix will be a function of interest rates, equity valuations, reserves position and risk taking capacity of the portfolio.

In such times when the interest rates are high, investment in debt would be generally more attractive versus equities and accordingly the Fund is likely to increase the debt component in the Scheme's portfolio. Similarly in times when the interest rates are low and the equity valuations are cheap, the Scheme is likely to reduce exposure to debt and increase exposure to equities. In addition to debt and equities, the Scheme will also invest in money market instruments. The exact proportion in money market instruments will be a function of the liquidity needs and the attractiveness of the debt/ equity markets. At times when neither the debt market nor equities are attractive for investment, more resources may be temporarily invested in money market investments to be invested in debt/ equities at a more appropriate time.

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

The Scheme may also invest a part of its net assets, not exceeding 40% of its net assets, in overseas markets in Global Depository Receipts (GDRs), ADRs, overseas equity, bonds and mutual funds and such other instruments as may be allowed under the Regulations from time to time. Please refer to the **Section** on Investment in **ADR/GDR/Foreign Securities** on **Pages 24-25**.

Subject to the Regulations and the applicable guidelines, the Scheme may, engage in Stock Lending activities. Please refer to the **Section** on **Page 24** on Stock Lending by the Fund.

If the investment in equities and related instruments falls below 40% of the portfolio or rises above 75% of the portfolio of the Scheme at any point in time, it would be endeavoured to review and rebalance the composition.

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

Risk Control

■ Related to All Schemes (Except HDFC Index Fund)

Investments made from the net assets of the Scheme(s) would be in accordance with the investment objective of the Scheme(s) and the provisions of the SEBI (MF) Regulations. The AMC will strive to achieve the investment objective by way of a judicious portfolio mix comprising of Debt Securities and Money Market Instruments and equity / equity related instruments. Every investment opportunity in Debt Securities and Money Market Instruments would be assessed with regard to credit risk, interest rate risk and liquidity risk.

Credit Evaluation Policy

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

In line with SEBI Circular No. MFD/CIR/9/120/ 2000 dated November 24, 2000, the AMC may constitute committee(s) to approve proposals for investments in unrated instruments. The AMC Board and the Trustee shall approve the detailed parameters for such investments. The details of such investments would be communicated by the AMC to the Trustee in their periodical reports. It would also be clearly mentioned in the reports, how the parameters have been complied with. However, in case any security does not fall under the parameters, the prior approval of Board of AMC and Trustee shall be sought.

Interest Rate Risk

An interest rate scenario analysis would be performed on an on-going basis, considering the impact of the developments on the macro-economic front and the demand and supply of funds. Based on the above analysis, the AMC would manage the investments of the Scheme on a dynamic basis to exploit emerging opportunities in the investment universe and manage risks at all points in time.

Liquidity Risk

The AMC will attempt to reduce liquidity risk by investing in securities that would result in a staggered maturity profile of the portfolio, investment in structured securities that provide easy liquidity and securities that have reasonable secondary market activity. In the event of a requirement to liquidate all or a substantial part of these investments in a very short duration of time, the AMC may not be able to realize the full value of these securities to an adverse impact on the Net Asset Value of the Scheme(s).

Strategies for Investment in Derivatives as per derivative strategy of respective Scheme(s)

Basic Structure of an Index Future

Index Futures are instruments designed to give exposure to the equity market indices. BSE Limited and the National Stock Exchange of India Limited have started trading in index futures of 1, 2 and 3 month maturities. The pricing of an index future is the function of the underlying index and short term interest rates.

Example:

Assumptions:

1 month BSE 30 Future

Spot Index: 4900

Future Price on day 1: 4920

Fund buys 10,000 futures contracts

On Date of settlement

Future price = Closing spot price = 4950

Profits for the Fund = $(4950 - 4920) \times 10000 = \text{Rs } 300,000$
+ interest for the 1 month period

Please note that the above example is given for illustration purposes only.

The net impact for the Fund will be in terms of the difference between the closing price of the index and cost price (ignoring margins for the sake of simplicity) plus interest costs on funds that would otherwise be invested in stocks comprising the index. The risks associated with index futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and/or mis pricing of the future at any time during the life of the contract.

The strategies below are given for illustration purposes only. Some of the strategies involving derivatives that may be used by the Investment Manager, with an aim to protect capital and enhance returns include :

Strategy Number 1

■ Using Index Futures to increase percentage investment in equities

This strategy will be used for the purpose of generating returns on idle cash, pending its investment in equities. The Scheme is subject to daily flows. There may be a time lag between the inflow of funds and their deployment in stocks. If so desired, the scheme would be able to take immediate exposure to equities via index futures. The position in index futures may be reversed in a phased manner, as the funds are deployed in the equity markets.

Example:

The scheme has a corpus of ₹ 50 crore and there is an inflow of ₹ 5 crore in a day. The AMC may buy index futures contracts of a value of ₹ 5 crore. Later as the money is deployed in the underlying equities, the value of the index futures contracts can be suitably reduced.

Portfolio	Event	Equity Portfolio Gain / (Loss) (₹ in crore)	Derivative Gain / (Loss) (₹ in crore)	Total Portfolio Gain / (Loss) (₹ in crore)
₹ 50 Crore Equity exposure	10% rise in equity prices	5	Nil	5
₹ 50 Crore Equity exposure + ₹ 5 Crore long position index futures	10% rise in equity prices	5	0.5	5.5
₹ 50 Crore Equity exposure	10% fall in equity prices	(5)	Nil	(5)
₹ 50 Crore Equity exposure + ₹ 5 Crore long position index futures	10% fall in equity prices	(5)	(0.5)	(5.5)

RISKS

- The strategy of taking a long position in index futures increases the exposure to the market. The long position is positively correlated with the market. However, there is no assurance that the stocks in the portfolio and the index behave in the same manner and thus this strategy may not provide gains perfectly aligned to the movement in the index.
- The long position will have as much loss / gain as in the underlying index. e.g. if the index appreciates by 10%, the index future value rises by 10%. However, this is true only for futures contracts held till maturity. In the event that a futures contract is closed out before its expiry, the quoted price of the futures contract may be different from the gain / loss due to the movement of the underlying index. This is called the basis risk.
- While futures markets are typically more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time, for the Scheme to purchase or close out a specific futures contract.

Strategy Number 2

■ Downside Protection Using Stock Put

As a stock hedging strategy, the purchase of a put option on an underlying stock held would lead to a capping of the loss in value of the stock in the event of a material decline in the stock's price.

The purchase of a put option against a stock holding in the scheme gives the scheme the option of selling the stock to the writer of the put at the predetermined level of the Put Option, called the strike price. If the stock falls below this level, the downside for the scheme is protected as it has already locked into the selling price. In case of a fall in the stock's price below the strike price, the value of the Put Option appreciates, approximately corresponding to the extent of the stock's price fall below the strike price.

Example:

Let us assume 20000 shares of XYZ Limited held in the portfolio with a market value of ₹ 1000 per share (overall ₹ 2 crores). The scheme purchases put options on the stock of XYZ Limited (not exceeding its holding of 20000 shares) with a strike price of ₹ 990 for an assumed cost (called Option Premium) of ₹ 15 per share (₹ 3 lakhs for 20000 shares).

By purchasing the above Put Option, the scheme has effectively set a floor to the realisation from the stock at ₹ 975 per share (₹ 990 strike price less ₹ 15 Option Premium paid).

In case the stock price of the company falls below ₹ 975 per share, the gain in the price of the Put Option when added to the actual market price of the stock would bring the sale realisation per share close to ₹ 975 per share.

After purchasing the above Put Option, in case the price of the stock appreciates, remains around ₹ 1000 or declines slightly to remain above the strike price, the scheme may not avail of the option and the cost for having bought the option remains fixed at ₹ 15 per share.

In effect, a floor (in this case effectively ₹ 975) is set to the stock by buying an Option at a cost that is known (in this case ₹ 15 per share).

RISKS

- There can be no assurance that ready liquidity would exist at all points in time, for the scheme to purchase or close out a specific options contract.

- A hedging strategy using Put Options is a perfect hedge on the expiration date of the put option. On other days, there may be (temporary) imperfect correlation between the share price and the put option.

Applicable to all Scheme(s)

In terms of Circular No. MFD.BC.191/07.01.279/1999-2000 and MPD.BC.187/07.01.279/1999-2000 dated November 1, 1999 and July 7, 1999 respectively issued by Reserve Bank of India permitting participation by Mutual Funds in Interest Rate Swaps and Forward Rate Agreements. These products were introduced for deepening the country's money market. The Scheme may trade in these instruments for the purpose of hedging and portfolio balancing or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time. SEBI has also permitted trading of interest rate derivatives through Stock Exchange.

Basic Structure of a Swap

Assume that the Scheme has a ₹ 20 crore floating rate investment linked to MIBOR (Mumbai Inter Bank Offered Rate). Hence, the Scheme is currently running an interest rate risk and stands to lose if the interest rate moves down. To hedge this interest rate risk, the Scheme can enter into a 6 month MIBOR swap. Through this swap, the Scheme will receive a fixed predetermined rate (assume 12%) and pays the "benchmark rate" (MIBOR), which is fixed by the National Stock Exchange of India limited (NSE) or any other agency such as Reuters. This swap would effectively lock-in the rate or 12% for the next 6 months, eliminating the daily interest rate risk. This usually routed through an intermediary who runs a book and matches deals between various counterparties.

The steps will be as follows -

- Assuming the swap is for ₹ 20 crore June 1, 2011 to December 1, 2011. The Scheme is a fixed rate receiver at 12% and the counterparty is a floating rate receiver at the overnight rate on a compounded basis (say NSE MIBOR).
- On June 1, 2011 the Scheme and the counterparty will exchange only a contract of having entered this swap. This documentation would be as per International Swap Dealers Association (ISDA).
- On a daily basis, the benchmark rate fixed by NSE will be tracked by them.
- On December 1, 2011 they will calculate the following-
 - The Scheme is entitled to receive interest on ₹ 20 crore at 12% for 184 days i.e. ₹ 1.21 crore, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
 - The counterparty is entitled to receive daily compounded call rate for 184 days & pay 12% fixed.
 - On December 1, 2011, if the total interest on the daily overnight compounded benchmark rate is higher than ₹ 1.21 crore, the Scheme will pay the difference to the counterparty. If the daily compounded benchmark rate is lower, then the counterparty will pay the Scheme the difference.
 - Effectively the Scheme earns interest at the rate of 12% p.a. for six months without lending money for 6 months fixed, while the counterparty pays interest @ 12% p.a. for 6 months on ₹ 20 crore, without borrowing for 6 months fixed.

The above example illustrates the benefits and risks of using derivatives for hedging and optimizing the investment portfolio. Swaps have their own drawbacks like credit risk,

settlement risk. However, these risks are substantially reduced as the amount involved is interest streams and not principal.

Forward Rate Agreement

Assume that on April 30, 2011, the 30 day commercial paper (CP) rate is 5.75% and the Scheme has an investment in a CP of face value ₹ 25 crores, which is going to mature on May 30, 2011. If the interest rates are likely to remain stable or decline after May 30, 2011, and if the fund manager, who wants to re-deploy the maturity proceeds for 1 more month, does not want to take the risk of interest rates going down, he can then enter into a following forward rate agreement (FRA) say as on April 30:

He can receive 1 X 2 FRA on April 30, 2011 at 5.75% (FRA rate for 1 months lending in 2 months time) on the notional amount of ₹ 25 crores, with a reference rate of 30 day CP benchmark. If the CP benchmark on the settlement date i.e. May 30, 2011 falls to 5.50%, then the Scheme receives the difference 5.75 - 5.50 i.e. 25 basis points on the notional amount ₹ 25 crores for 1 month. The maturity proceeds are then reinvested at say 5.50% (close to the benchmark). The scheme, however, would have locked in the rate prevailing on April 30, 2011 (5.75%) as it would have received 25 basis points more as settlement amount from FRA. Thus the fund manager can use FRA to mitigate the reinvestment risk.

In this example, if the rates move up by 25 basis points to 6% on the settlement date (May 30, 2011), the Scheme loses 25 basis points but since the reinvestment will then happen at 6%, effective returns for the Scheme is unchanged at 5.75%, which is the prevailing rate on May 30, 2011.

Risk Factors of SWAP / Forward Rate Agreement

- **Credit Risk:** This is the risk of defaults by the counterparty. This is usually negligible, as there is no exchange of principal amounts in a derivative transaction.
- **Market Risk:** Market movements may adversely affect the pricing and settlement derivatives.
- **Illiquidity Risk:** The risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.

PORTFOLIO TURNOVER - ALL SCHEMES EXCEPT HDFC INDEX FUND

The Scheme(s) are open-ended Schemes. It is expected that there would be a number of subscriptions and redemptions on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio.

PORTFOLIO TURNOVER - HDFC INDEX FUND

As the Scheme will follow a passive investment strategy for the Nifty Plan and the SENSEX Plan the endeavor will be to minimize portfolio turnover subject to the exigencies and needs of the Nifty Plan and the SENSEX Plan. Generally, as the Scheme is open-ended, turnover will be confined to rebalancing of portfolio on account of new subscriptions, redemptions and change in the composition of the S&P CNX Nifty Index and BSE SENSEX. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio.

INVESTMENT DECISIONS - ALL SCHEMES

The Investment Committee comprising Chief Investment Officer (CIO), Fund Manager(s) - Equities (for equity related matters), Fund Manager(s) - Debt (for debt related matters) and Chief

Compliance Officer will inter alia lay down the fund's investment philosophy, policy and processes / procedures, review the performance / portfolios of the Schemes, monitor the credit ratings of debt exposures, etc.

Fund Manager(s) shall be responsible for taking investment / divestment decisions for their respective scheme(s) and for adhering to the Fund's investment philosophy, policy and processes / procedures. Investment decisions shall be recorded by the respective Fund Manager(s) along with reasons for the same. Research reports, both internal and external, covering inter alia factors like business outlook, financial analysis, valuation, etc. shall assist the Fund Manager(s) in the decision-making. Credit exposure limits shall be set and reviewed by the Head of Credit, Fund Manager(s) - Debt and the CIO. Investment decisions for HDFC Arbitrage Fund shall be guided primarily by arbitrage opportunities available, yield on debt/money market instruments, etc. Investment decision with regard to HDFC Index Fund would primarily be related to portfolio re-balancing based on change in weightage of stocks and the inflows / outflows in the Scheme.

The Executive Director & Chief Investment Officer and the Investment Committee report to the Managing Director. Investment decisions are taken by the fund manager(s) of the respective scheme(s) and the Managing Director does not play any role in the day-to-day investment decisions. The Managing Director of the AMC shall ensure that the investments made by the fund managers are in the interest of the Unit holders.

Periodic presentations will be made to the Board of Directors of the AMC and Trustee Company to review the performance of the Scheme.

INVESTMENT BY THE AMC IN THE SCHEME(S)

The AMC may invest in the Scheme(s) anytime during the continuous offer period subject to the SEBI (MF) Regulations. The AMC may also invest in existing Schemes of the Mutual Fund. As per the existing SEBI (MF) Regulations, the AMC will not charge Investment Management and Advisory fee on the investment made by it in the Scheme(s) or other existing schemes of the Mutual Fund.

F. FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the Scheme(s), in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

(i) Type of a scheme

Please refer to Section 'Type of the Scheme(s)' on Page 20.

(ii) Investment Objective

- Main Objective - Please refer to section 'What is the Investment Objective of the Scheme(s)?' on Page 20.
- Investment pattern - Please refer to section 'How will the Scheme(s) Allocate its Assets?' on Page 21.

(iii) Terms of Issue

a) Liquidity provisions such as listing, repurchase, redemption.

b) Aggregate Fees and Expenses charged to the Scheme

Please refer to section 'Fees and Expenses' on Page 90 for details.

c) Any safety net or guarantee provided

The Scheme(s) do not provide any guaranteed or assured return.

Changes in Fundamental Attributes

In accordance with Regulation 18 (15A) of the SEBI (MF) Regulations, the Trustee shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interest of Unit holders is carried out unless :

- A written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unit holders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any Exit Load.

G. HOW WILL THE SCHEME(S) BENCHMARK ITS PERFORMANCE?

BENCHMARK INDEX

Name of the Scheme(s)	Benchmark Index	Justification
HDFC Growth Fund and HDFC Long Term Advantage Fund.	SENSEX	BSE SENSEX is calculated using a free float market capitalization weighted methodology of selected stocks that represent large, well-established and financially sound companies across key sectors. Hence, it is an appropriate benchmark for the Scheme(s).
HDFC Equity Fund, HDFC Capital Builder Fund, HDFC Premier Multi-Cap Fund, HDFC Infrastructure Fund and HDFC TaxSaver	S&P CNX 500	The S&P CNX 500 is India's first broad based benchmark of the Indian capital market, representing about 95.86% of the free float market capitalization of the stocks listed on NSE as on March 30 2012. The total traded value for the last six months ending March 2012 of all Index constituents is approximately 95.19% of the traded value of all stocks on NSE. It covers 71 industry indices with industry weightages in the index reflecting the weightages in the market. Hence, it is an appropriate benchmark for the Scheme(s).
HDFC Top 200 Fund and HDFC Core & Satellite Fund	BSE 200	BSE 200 covers all major industry sectors representing around 85% of the domestic market capitalisation. Hence, it is an appropriate benchmark for the Scheme(s).
HDFC Mid-Cap Opportunities Fund	CNX Midcap Index	CNX Midcap Index is designed to capture the movement of the midcap segment of the market. Hence, it is an appropriate benchmark for the Scheme that shall predominantly invest in equity and equity related securities of mid-cap companies.
HDFC Long Term Equity Fund	S&P CNX Nifty	S&P CNX Nifty is a leading market index covering 22 industry sectors representing about 65.57% of the free float market capitalization of the stocks listed on NSE as on March 30, 2012. The total traded value for the last six months ending March 2012 of all index constituents is approximately 58.20% of the traded value of all stocks on the NSE. Hence, it is an appropriate benchmark for the Scheme.
HDFC Arbitrage Fund	CRISIL Liquid Fund Index	The Scheme aims to generate income through arbitrage opportunities between cash and derivative market and arbitrage opportunities within the derivative segment and by deployment of surplus cash in debt securities and money market instruments. The spreads between cash and derivative market and arbitrage opportunities within the derivative segment reflect the yields in the shorter end of the yield curve. This product is unique in the sense that it does not take directional call in equity markets. Hence the CRISIL Liquid Fund Index is an appropriate available benchmark for the Scheme.
HDFC Index Fund - Nifty Plan	S&P CNX Nifty (Total Returns Index)	The Scheme proposes to invest in equity and equity related instruments of companies, which are constituents of the S&P CNX Nifty Index. Hence, it is an appropriate benchmark for the Plans under the Scheme. Further, a Total Returns Index reflects the returns on the index from index gain/loss plus dividend payments by constituent index stocks.

Name of the Scheme(s)	Benchmark Index	Justification
HDFC Index Fund - SENSEX Plan & SENSEX Plus Plan	SENSEX (Total Returns Index)	The Scheme proposes to invest in equity and equity related instruments of companies which are constituents of the BSE SENSEX. Hence, it is an appropriate benchmark for the Plan(s) under the Scheme. Further, a Total Returns Index reflects the returns on the index from index gain/loss plus dividend payments by constituent index stocks.
HDFC Balanced Fund and HDFC Prudence Fund	CRISIL Balanced Fund Index	The Benchmark Index would be CRISIL Balanced Fund Index, which tracks the returns of a portfolio consisting of 65% equity and 35% debt instruments. Hence, it is an appropriate benchmark for the Scheme(s).

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

H. WHO MANAGES THE SCHEME(S)?

Name of the Scheme(s)	Fund Manager*	Dedicated Fund Manager for Overseas Investments
HDFC Growth Fund	Mr. Srinivas Rao Ravuri	Mr. Miten Lathia
HDFC Equity Fund	Mr. Prashant Jain	
HDFC Top 200 Fund	Mr. Prashant Jain	
HDFC Capital Builder Fund	Mr. Chirag Setalvad	
HDFC Core & Satellite Fund	Mr. Vinay Kulkarni	
HDFC Premier Multi-Cap Fund	Mr. Vinay Kulkarni	
HDFC Mid - Cap Opportunities Fund	Mr. Chirag Setalvad	
HDFC Long Term Equity Fund	Mr. Srinivas Rao Ravuri	
HDFC Infrastructure Fund	Mr. Prashant Jain and Mr. Srinivas Rao Ravuri	
HDFC Arbitrage Fund	Mr. Anil Bamboli	
HDFC Index Fund	Mr. Vinay Kulkarni	Not Applicable
HDFC Long Term Advantage Fund	Mr. Chirag Setalvad	Mr. Miten Lathia
HDFC TaxSaver	Mr. Vinay Kulkarni	
HDFC Balanced Fund	Mr. Chirag Setalvad	
HDFC Prudence Fund	Mr. Prashant Jain	

* excluding Overseas investments if any.

The details of Fund Managers are as follows:

Name & Age	Educational Qualifications	Experience (last 10 years)	Fund(s) Managed*
Mr. Prashant Jain 44 Years	CFA (CFA Institute), PGDM-IIM Bangalore, B.Tech. - IIT, Kanpur	Collectively over 21 years of experience in fund management and research in Mutual Fund Industry. • June 20, 2003 till Date HDFC Asset Management Company Limited • July 1993 to June 19, 2003 Zurich Asset Management Company (India) Private Limited Last Position Held- Chief Investment Officer	Open Ended Growth Scheme(s) • HDFC Equity Fund • HDFC Top 200 Fund Open Ended Equity Scheme • HDFC Infrastructure Fund ^ Open Ended Balanced Scheme • HDFC Prudence Fund Open Ended Income Scheme • HDFC MF Monthly Income Plan- Long Term Plan - (Equity Assets)
Mr. Vinay R. Kulkarni 46 Years	B.Tech (IIT, Mumbai), PGDM (IIM, Bangalore)	Collectively over 23 years of experience, of which 21 years in Fund Management and Equity Research and 2 years in the IT industry. • November 3, 2006 till date HDFC Asset Management Company Limited • August 2, 2006 to October 20, 2006 Tata Asset Management Limited Last Position Held - Senior Fund Manager • July 26, 2005 to July 28, 2006 Deutsche Asset Management (India) Pvt. Ltd. Last Position Held - Senior Fund Manager • June 8, 1992 to July 25, 2005 UTI Asset Management Company (Pvt.) Ltd. Last Position Held - Fund Manager	Open Ended Growth Scheme(s) • HDFC Core and Satellite Fund • HDFC Premier Multi-Cap Fund Open Ended Index Linked Scheme • HDFC Index Fund Open Ended Equity Linked Savings Scheme with a Lock-in period of 3 years • HDFC TaxSaver Open Ended Income Scheme • HDFC MF Monthly Income Plan - Short Term Plan (Equities) • HDFC Multiple Yield Fund (Equities)

* excluding Overseas investments if any

^ jointly with Mr. Srinivas Rao Ravuri

Name & Age	Educational Qualifications	Experience (last 10 years)	Fund(s) Managed*
Mr. Chirag Setalvad 37 Years	B.Sc. in Business Administration - University of North Carolina, Chapel Hill.	Collectively over 15 years of experience, of which over 12 years in Fund Management and Equity Research and 3 years in investment banking. ● March 19, 2007 to date HDFC Asset Management Company Limited ● October 2004 - February 28, 2007 New Vernon Advisory Services Pvt. Ltd. Last Position Held - Vice President ● July 2000 - August 31, 2004 HDFC Asset Management Company Limited Last Position Held - Fund Manager ● September 1996 - June 2000 ING Barings N.V., Mumbai Last Position Held - Assistant Manager	Open Ended Growth Scheme ● HDFC Capital Builder Fund An Open-ended Equity Scheme ● HDFC Mid-Cap Opportunities Fund Open Ended Balanced Scheme(s) ● HDFC Children's Gift Fund ● HDFC Balanced Fund Open Ended Equity Linked Savings Scheme with a Lock-in period of 3 years ● HDFC Long Term Advantage Fund Open Ended Income Scheme ● HDFC Multiple Yield Fund - Plan 2005 (Equities)
Mr. Srinivas Rao Ravuri 39 Years	B. Com, MBA- Finance	Collectively over 15 years of experience in Indian financial markets, primarily in equity research & Fund Management ● October 2004 till Date HDFC Asset Management Company Limited ● July 2003 to September 2004 Motilal Oswal Securities Ltd. Last Position Held - Senior Analyst ● December 1996 to July 2003 Edelweiss Capital Ltd. Last Position Held - AVP - Equity Research	Open Ended Growth Scheme ● HDFC Growth Fund Open-Ended Equity Schemes ● HDFC Long Term Equity Fund ● HDFC Infrastructure Fund#
Mr. Anil Bamboli 40 Years	B. Com, Grad CWA, MMS (Finance), CFA (CFA Institute)	Collectively over 17 years of experience in Fund Management and Research. ● July 25, 2003 till Date HDFC Asset Management Company Limited ● May 1994 - July 2003 SBI Funds Management Pvt. Ltd. Last Position held - Asst. Vice President	Open Ended Income Scheme(s) ● HDFC Multiple Yield Fund (Debt) ● HDFC Multiple Yield Fund - Plan 2005 (Debt) ● HDFC High Interest Fund ● HDFC Short Term Plan ● HDFC Cash Management Fund - Treasury Advantage Plan ● HDFC Gilt Fund ● HDFC Short Term Opportunities Fund Open Ended Equity Fund ● HDFC Arbitrage Fund Open Ended Fund of Fund Scheme ● HDFC Gold Fund A 3 Year Close Ended Capital Protection Oriented Income Scheme ● HDFC Debt Fund for Cancer Cure Open Ended Exchange Traded Fund ● HDFC Gold Exchange Traded Fund

* excluding Overseas investments if any # jointly with Mr. Prashant Jain.

Dedicated Fund Manager for Overseas Investments

Name & Age	Educational Qualifications	Experience (last 10 years)	Fund(s) Managed
Mr. Miten Lathia 34 Years	CFA (CFA Institute); CA (ICAI); B. Com. (Mumbai University).	Collectively over 12 years of experience in Equity Research ● December 26, 2006 to date HDFC Asset Management Company Limited ● June 1, 2004 to December 12, 2006 BRICS Securities Limited Position Held: Vice President - Research ● January 1, 2004 to May 31, 2004 Enam Securities Pvt. Ltd. Position Held: Analyst ● January 1, 2001 to December 26, 2003 SSKI Securities Pvt. Ltd. Position Held: AVP Research ● October 1, 1999 to December 31, 2000 Anand Rath Securities Pvt. Ltd. Position Held: Manager Research	All eligible schemes of HDFC Mutual Fund investing in foreign securities.

I. WHAT ARE THE INVESTMENT RESTRICTIONS?

Pursuant to SEBI (MF) Regulations, the following investment restrictions are applicable to the Scheme (s) (Plans in case of HDFC Index Fund):

- Every mutual fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:

Provided that a mutual fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI.

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

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

- The Mutual Fund shall enter into transactions relating to Government Securities only in dematerialised form.
- The Mutual Fund will, for securities purchased in the non-depository mode get the securities transferred in the name of the Mutual Fund on account of the Scheme(s), wherever the investments are intended to be of a long term nature.
- The Scheme(s) (Plans in case of HDFC Index Fund) shall not invest more than 15% of its NAV in debt instruments [irrespective of residual maturity period (above or below one year)], issued by a single issuer, which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the SEBI Act. Such investment limit may be extended to 20% of the NAV of the Scheme with the prior approval of the Trustee and the Board of the AMC.

Provided that such limit shall not be applicable for investments in government securities.

Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with SEBI.

HDFC Index Fund will not invest in securitised debt.

The ELSS notifications requires that the funds of the HDFC TaxSaver and HDFC Long Term Advantage Fund to be invested in equities, cumulative convertible preference shares and fully convertible debentures and bonds of companies. Investment may also be made in partly convertible debentures and bonds including those issued on a rights basis subject to the condition that, as far as possible, the non convertible portion of the debenture so acquired or subscribed shall be disinvested within a period of 12 months. Further, the funds of the HDFC TaxSaver and HDFC Long Term Advantage Fund should remain invested to the extent of atleast 80% in the specified securities.

- The Scheme(s) (Plans in case of HDFC Index Fund) shall not invest more than 10% of its NAV in unrated debt instruments [irrespective of residual maturity period (above or below one year)], issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the Scheme(s). All such investments shall be made with the prior approval of the Trustee and the Board of the AMC.
- The Scheme(s) [Plan(s) in case of HDFC Index Fund] shall not invest more than 30% of its net assets in money market instruments of an issuer.
Provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.
- The Mutual Fund under all its Scheme(s) will not own more than 10% of any Company's paid up capital carrying voting rights.
- Transfer of investments from one scheme to another scheme

in the same Mutual Fund, shall be allowed only if:-

- (a) such transfers are made at the prevailing market price for quoted Securities on spot basis
Explanation : spot basis shall have the same meaning as specified by Stock Exchange for spot transactions
- (b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

- The Scheme(s) (Plans in case of HDFC Index Fund) may invest in another scheme(s) under the same AMC or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same AMC or in schemes under the management of any other asset management shall not exceed 5% of the net asset value of the Mutual Fund.
- Pending deployment of funds as per investment objective, the moneys under the Scheme(s) may be parked in short-term deposits of Scheduled Commercial Banks. The Scheme(s) shall abide by the guidelines for parking of funds in short term deposits as mentioned in section 'WHERE WILL THE SCHEME INVEST?' on Page 27.

Pending investment of the funds in required manner, the AMC may invest the funds of HDFC TaxSaver and HDFC Long Term Advantage Fund in short-term money market instruments or other liquid instruments or both. After 3 years from the date of allotment of the Units, the Mutual Fund may hold upto 20% of net assets of the HDFC TaxSaver and HDFC Long Term Advantage Fund in short-term money market instruments and other liquid instruments to enable the Mutual Fund to redeem investment of those Unit holders who would seek to tender the Units for Redemption.

- The Scheme(s) (Plans in case of HDFC Index Fund) shall not make any investments in:
 - (a) any unlisted security of an associate or group company of the Sponsors; or
 - (b) any security issued by way of private placement by an associate or group company of the Sponsors; or
 - (c) the listed securities of group companies of the Sponsors which is in excess of 25% of the net assets.
 - (d) any fund of funds scheme
- The Scheme(s) shall not invest more than 10% of its NAV in case of the equity shares or equity related instruments of any company and in listed securities / units of Venture Capital Funds.
However, HDFC Index Fund being an Index Fund the above limit does not apply to SENSEX Plan, Nifty Plan as well as passively managed portion of the SENSEX Plus Plan.
- The Scheme(s) (only SENSEX Plus Plan under HDFC Index Fund) shall not invest more than 5% of its NAV in the unlisted equity shares or equity related instruments and in unlisted securities / units of Venture Capital Funds.
SENSEX Plan and Nifty Plan shall not invest in unlisted Equity Shares or Equity related instruments.

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

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

J. HOW HAVE THE SCHEME(S) PERFORMED?

Performance of the Scheme(s) (as at March 30, 2012)

HDFC Growth Fund – Growth Option

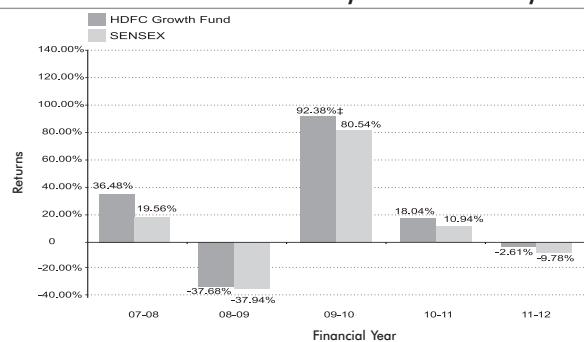
Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	-2.61	-9.78
Last 3 Years (1096 days)	30.89	22.05
Last 5 Years (1827 days)	13.44	5.89
Since Inception* (4218 days)	20.40	12.00

^ Past performance may or may not be sustained in the future

Above Returns are compounded annualized (CAGR)

* Inception Date: September 11, '00 # SENSEX

Absolute returns for each financial year for the last 5 years ^



‡ Due to an overall sharp rise in the stock prices

HDFC Equity Fund – Growth Option

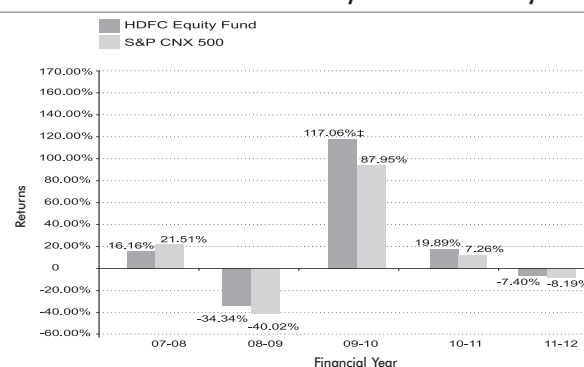
Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	-7.40	-8.19
Last 3 Years (1096 days)	34.81	23.14
Last 5 Years (1827 days)	12.89	6.06
Since Inception* (6298 days)	20.83	8.87

^ Past performance may or may not be sustained in the future

Above Returns are compounded annualized (CAGR)

* Inception Date: January 1, '95 # S&P CNX 500

Absolute returns for each financial year for the last 5 years ^



‡ Due to an overall sharp rise in the stock prices

HDFC Top 200 Fund – Growth Option

Period	Returns (%) \$\$ ^	Benchmark Returns (%)#
Last 1 Year (366 days)	-6.12	-8.80
Last 3 Years (1096 days)	30.34	24.38
Last 5 Years (1827 days)	14.00	6.74
Since Inception* (5649 days)	22.98	13.27

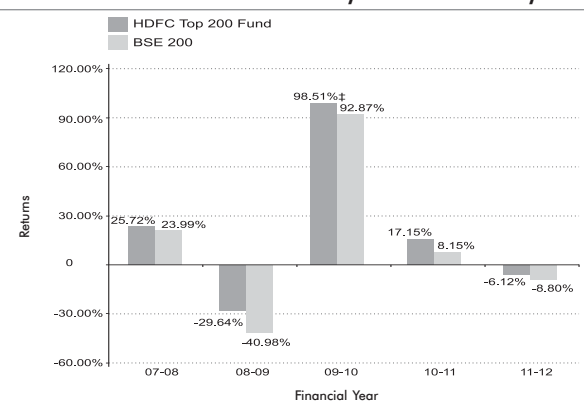
^ Past performance may or may not be sustained in the future

Above Returns are compounded annualized (CAGR)

* Inception Date: October 11, '96 # BSE 200

\$\$ All dividends declared prior to the splitting of the Scheme into Dividend & Growth Options are assumed to be reinvested in the units of the Scheme at the then prevailing NAV (ex-dividend NAV)

Absolute returns for each financial year for the last 5 years ^



‡ Due to an overall sharp rise in the stock prices

HDFC Capital Builder Fund – Growth Option

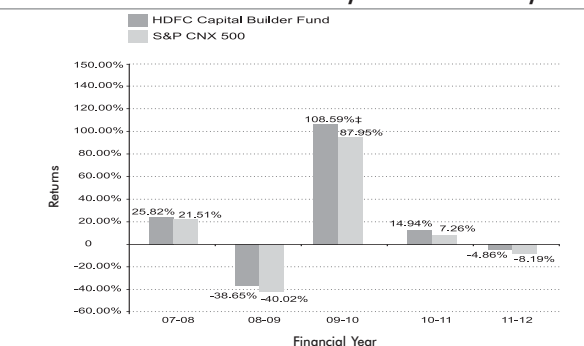
Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	-4.86	-8.19
Last 3 Years (1096 days)	32.30	23.14
Last 5 Years (1827 days)	11.84	6.06
Since Inception* (6632 days)	13.85	7.89

^ Past performance may or may not be sustained in the future

Above Returns are compounded annualized (CAGR)

* Inception Date: February 1, '94 # S&P CNX 500

Absolute returns for each financial year for the last 5 years ^



‡ Due to an overall sharp rise in the stock prices

Performance of the Scheme(s) (as at March 30, 2012) (contd.....)

HDFC Core & Satellite Fund - Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	-8.52	-8.80
Last 3 Years (1096 days)	33.34	24.38
Last 5 Years (1827 days)	9.03	6.74
Since Inception* (2751 days)	18.91	15.58

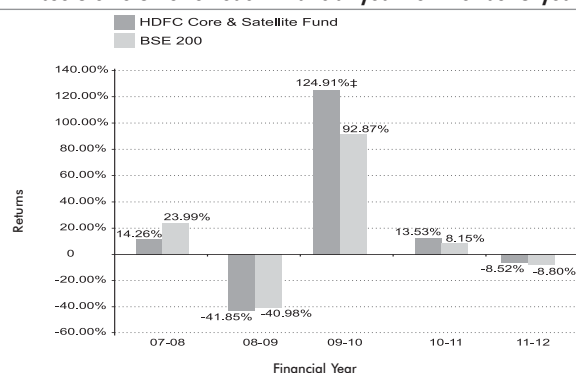
^ Past performance may or may not be sustained in the future

Above Returns are compounded annualized (CAGR)

BSE 200

* Inception Date: September 17, '04

Absolute returns for each financial year for the last 5 years ^



† Due to an overall sharp rise in the stock prices

HDFC Premier Multi-Cap Fund – Growth Option

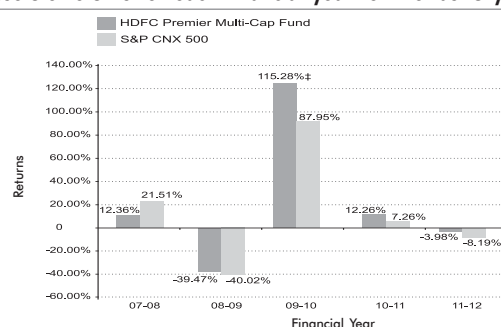
Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	-3.98	-8.19
Last 3 Years (1096 days)	33.01	23.14
Last 5 Years (1827 days)	9.43	6.06
Since Inception* (2550 days)	15.69	12.92

^ Past performance may or may not be sustained in the future

Above Returns are compounded annualized (CAGR)

* Inception Date: April 6, '05 # S&P CNX 500

Absolute returns for each financial year for the last 5 years ^



† Due to an overall sharp rise in the stock prices

HDFC Mid-Cap Opportunities Fund – Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	9.02	-3.99
Last 3 Years (1096 days)	41.68	31.92
Since Inception* (1740 days)	10.90	6.05

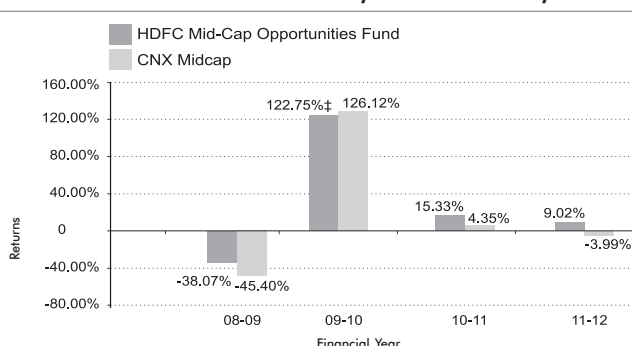
^ Past performance may or may not be sustained in the future

Above Returns are compounded annualized (CAGR)

* Inception Date: June 25, '07

CNX Midcap

Absolute returns for each financial year for the last 4 years ^



No graph provided for Financial Year 2007-08 as the Scheme was not in existence for the full financial year.

† Due to an overall sharp rise in the stock prices

HDFC Long Term Equity Fund – Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	-5.37	-8.50
Last 3 Years (1096 days)	28.90	21.13
Last 5 Years (1827 days)	7.91	6.73
Since Inception* (2240 days)	7.67	9.54

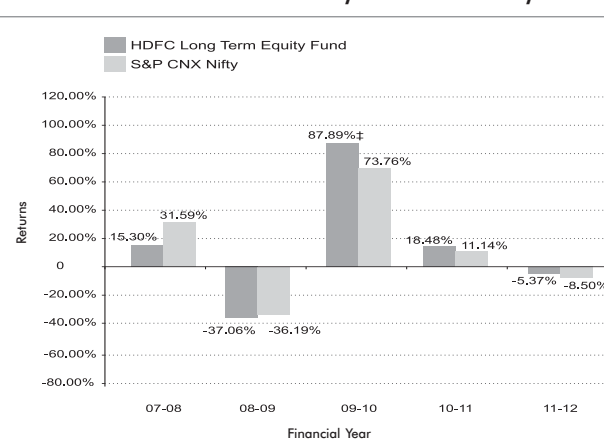
^ Past performance may or may not be sustained in the future

Above Returns are compounded annualized (CAGR)

* Inception Date: February 10, '06

S&P CNX Nifty

Absolute returns for each financial year for the last 5 years ^



† Due to an overall sharp rise in the stock prices

Performance of the Scheme(s) (as at March 30, 2012) (contd.....)

HDFC Infrastructure Fund – Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	-12.71	-8.19
Last 3 Years (1096 days)	26.79	23.14
Since Inception* (1481 days)	0.91	1.79

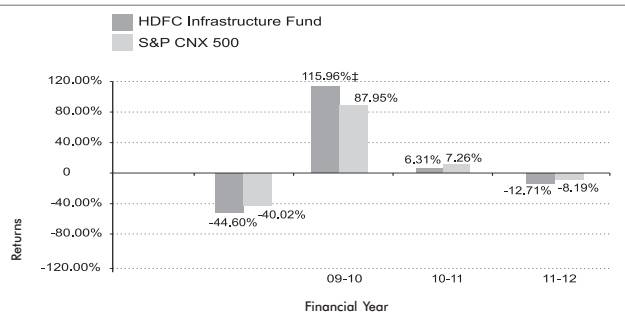
^ Past performance may or may not be sustained in the future

Above Returns are compounded annualized (CAGR)

* Inception Date: March 10, '08

S&P CNX 500

Absolute returns for each financial year for the last 4 years ^



† Due to an overall sharp rise in the stock prices
No graph provided for Financial Year 2007-08 as the Scheme was not in existence for the full financial year.

HDFC Arbitrage Fund - Wholesale Plan – Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	8.11	8.47
Last 3 Years (1096 days)	6.66	6.10
Since Inception* (1620 days)	7.14	6.77

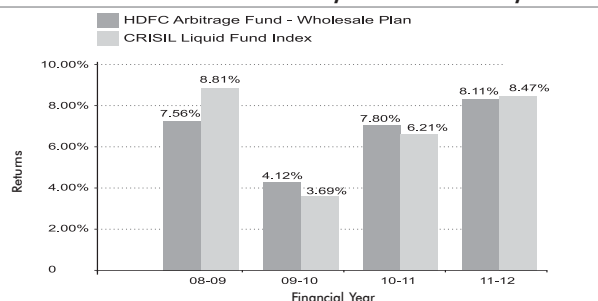
^ Past performance may or may not be sustained in the future

Above Returns are compounded annualized (CAGR)

* Inception Date: October 23, '07

CRISIL Liquid Fund Index

Absolute returns for each financial year for the last 4 years ^



No graph provided for Financial Year 2007-08 as the Plan was not in existence for the full financial year.

HDFC Arbitrage Fund - Retail Plan – Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	7.84	8.47
Last 3 Years (1096 days)	6.40	6.10
Since Inception* (1620 days)	6.87	6.77

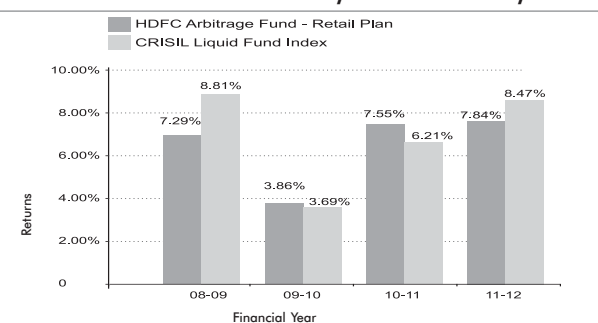
^ Past performance may or may not be sustained in the future

Above Returns are compounded annualized (CAGR)

* Inception Date: October 23, '07

CRISIL Liquid Fund Index

Absolute returns for each financial year for the last 4 years ^



No graph provided for Financial Year 2007-08 as the Plan was not in existence for the full financial year.

HDFC Index Fund

SENSEX Plan – Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	-9.47	-12.01
Last 3 Years (1096 days)	20.99	21.85
Last 5 Years (1827 days)	3.72	6.45
Since Inception* (3544 days)	16.73	21.03

^ Past performance may or may not be sustained in the future

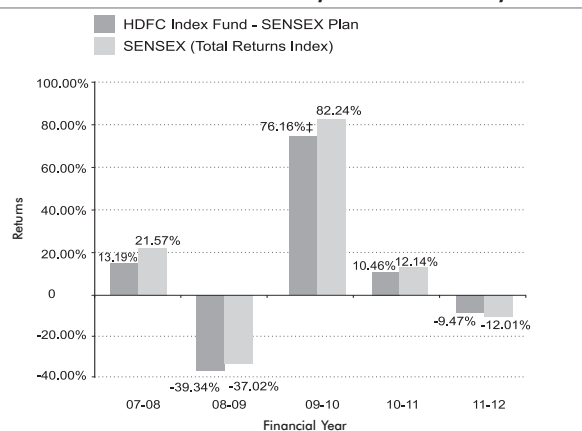
Above Returns are compounded annualized (CAGR)

* Inception Date: July 17, '02

SENSEX (Total Returns Index)

Face value per unit: ₹ 32.1610

Absolute returns for each financial year for the last 5 years ^



† Due to an overall sharp rise in the stock prices

Performance of the Scheme(s) (as at March 30, 2012) (contd.....)

HDFC Index Fund

Nifty Plan – Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	-9.18	-7.45
Last 3 Years (1096 days)	19.11	22.39
Last 5 Years (1827 days)	4.04	7.87
Since Inception* (3544 days)	16.50	20.15

^ Past performance may or may not be sustained in the future

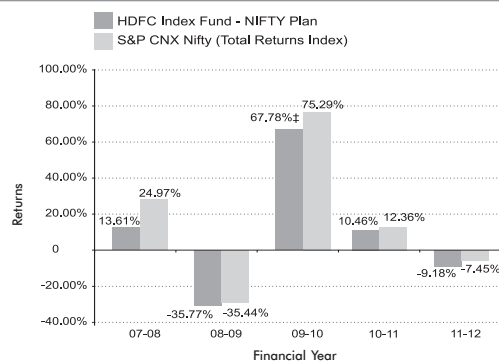
Above Returns are compounded annualized (CAGR)

* Inception Date: July 17, '02

S&P CNX Nifty (Total Returns Index)

Face value per unit: ₹ 10.3260

Absolute returns for each financial year for the last 5 years ^



‡ Due to an overall sharp rise in the stock prices

HDFC Index Fund

SENSEX Plus Plan – Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	-5.78	-12.01
Last 3 Years (1096 days)	26.05	21.85
Last 5 Years (1827 days)	9.52	6.45
Since Inception* (3544 days)	21.91	21.03

^ Past performance may or may not be sustained in the future

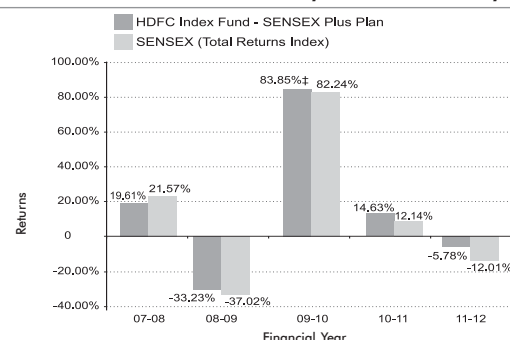
Above Returns are compounded annualized (CAGR)

* Inception Date: July 17, '02

SENSEX (Total Returns Index)

Face value per unit: ₹ 32.1610

Absolute returns for each financial year for the last 5 years ^



‡ Due to an overall sharp rise in the stock prices

HDFC Long Term Advantage Fund – Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	-2.80	-9.78
Last 3 Years (1096 days)	31.88	22.05
Last 5 Years (1827 days)	9.15	5.89
Since Inception* (4105 days)	25.94	13.92

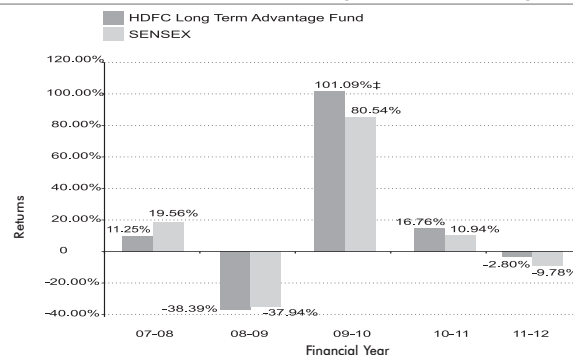
^ Past performance may or may not be sustained in the future

Above Returns are compounded annualized (CAGR)

* Inception Date: January 2, '01

SENSEX

Absolute returns for each financial year for the last 5 years ^



‡ Due to an overall sharp rise in the stock prices

HDFC TaxSaver – Growth Option

Period	Returns (%)\$\$ ^	Benchmark Returns (%)#
Last 1 Year (366 days)	-3.90	-8.19
Last 3 Years (1096 days)	32.81	23.14
Last 5 Years (1827 days)	10.73	6.06
Since Inception* (5843 days)	28.63	11.88

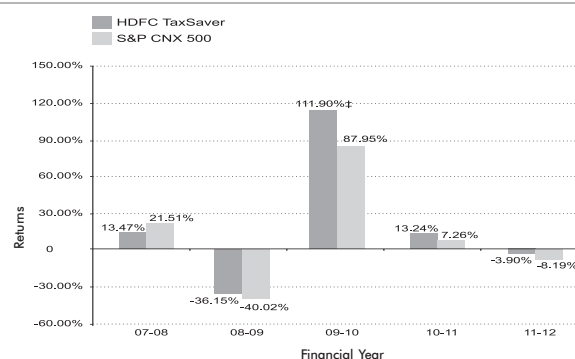
^ Past performance may or may not be sustained in the future

Above Returns are compounded annualized (CAGR)

* Inception Date: March 31, '96 # S&P CNX 500

\$\$ All dividends declared prior to the splitting of the Scheme into Dividend & Growth Options are assumed to be reinvested in the units of the Scheme at the then prevailing NAV (ex-dividend NAV)

Absolute returns for each financial year for the last 5 years ^



‡ Due to an overall sharp rise in the stock prices

Performance of the Scheme(s) (as at March 30, 2012) (contd.....)

HDFC Balanced Fund – Growth Option

Period	Returns (%) ^	Benchmark Returns (%)#
Last 1 Year (366 days)	7.13	-2.67
Last 3 Years (1096 days)	31.70	16.34
Last 5 Years (1827 days)	14.88	7.90
Since Inception* (4218 days)	16.51	N.A.

^ Past performance may or may not be sustained in the future

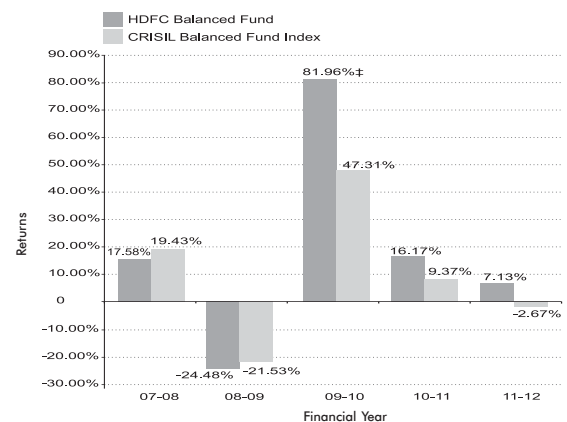
N.A. - Not Available

Above Returns are compounded annualized (CAGR)

* Inception Date: September 11, '00

CRISIL Balanced Fund Index

Absolute returns for each financial year for the last 5 years ^



‡ Due to an overall sharp rise in the stock prices

HDFC Prudence Fund – Growth Option

Period	Returns (%)\$\$ ^	Benchmark Returns (%)#
Last 1 Year (366 days)	0.96	-2.67
Last 3 Years (1096 days)	33.66	16.34
Last 5 Years (1827 days)	14.34	7.90
Since Inception* (6632 days)	20.09	N.A.

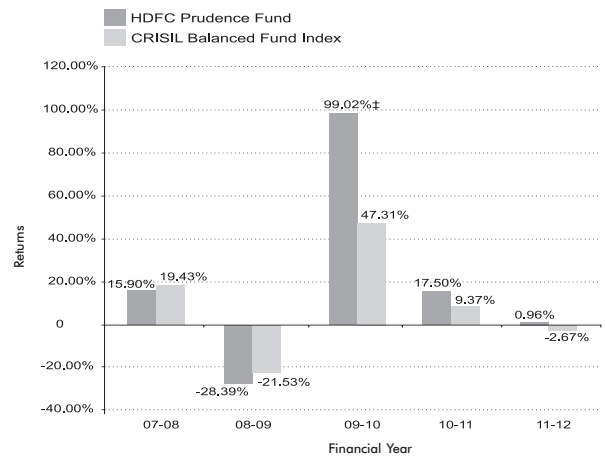
^ Past performance may or may not be sustained in the future

Above Returns are compounded annualized (CAGR)

* Inception Date: February 1, '94 N.A. - Not Available

CRISIL Balanced Fund Index \$\$ All dividends declared prior to the splitting of the Scheme into Dividend & Growth Options are assumed to be reinvested in the units of the Scheme at the then prevailing NAV (ex-dividend NAV)

Absolute returns for each financial year for the last 5 years ^



‡ Due to an overall sharp rise in the stock prices

III. UNITS AND OFFER

This Section provides details you need to know for investing in the Scheme.

A. NEW FUND OFFER (NFO)

All the Scheme(s) forming part of this SID have already been launched. The Date of Inception for all the scheme(s) are as mentioned hereunder.

Name of the Scheme	Date of Inception / Allotment
HDFC Growth Fund	September 11, 2000
HDFC Equity Fund*\$	January 1, 1995
HDFC Top 200 Fund*\$	October 11, 1996
HDFC Capital Builder Fund*\$\$\$	February 1, 1994
HDFC Core & Satellite Fund	September 17, 2004
HDFC Premier Multi-Cap Fund	April 6, 2005
HDFC Mid - Cap Opportunities Fund@	June 25, 2007
HDFC Long Term Equity Fund@@	February 10, 2006
HDFC Infrastructure Fund@@@	March 10, 2008
HDFC Arbitrage Fund	October 23, 2007
HDFC Index Fund	July 17, 2002
HDFC Long Term Advantage Fund	January 2, 2001
HDFC TaxSaver*\$	March 31, 1996
HDFC Balanced Fund	September 11, 2000
HDFC Prudence Fund*\$\$\$	February 1, 1994

* Scheme(s) of Zurich India Mutual Fund migrated to HDFC Mutual Fund effective, June 19, 2003

\$ Formerly known as Zurich India Equity Fund, \$\$ Formerly known as Zurich India Top 200 Fund

\$\$\$ Formerly known as Zurich India Capital Builder Fund, \$\$\$\$ Formerly known as Zurich India Prudence Fund

\$\$\$\$\$ Formerly known as Zurich India TaxSaver Fund

@ The Scheme was converted into an Open-ended scheme effective June 25, 2010

@@ The Scheme was converted into an Open-ended scheme effective February 10, 2011

@@@ The Scheme was converted into an Open-ended scheme effective March 10, 2011

Therefore, the Section 'NEW FUND OFFER' is not relevant, except for the details as under :

Plans / Options offered	HDFC Growth Fund, HDFC Equity Fund, HDFC Top 200 Fund, HDFC Capital Builder Fund, HDFC Core & Satellite Fund, HDFC Premier Multi-Cap Fund, HDFC Mid - Cap Opportunities Fund, HDFC Long Term Equity Fund, HDFC Infrastructure Fund, HDFC Long Term Advantage Fund, HDFC TaxSaver, HDFC Balanced Fund and HDFC Prudence Fund	HDFC Arbitrage Fund	HDFC Index Fund
	Plans : Nil Options : <ul style="list-style-type: none"> Growth Option Dividend Option Dividend Option offers Payout and Reinvestment facility.	Plans : <ul style="list-style-type: none"> Wholesale Plan Retail Plan Options : <ul style="list-style-type: none"> Growth Option Dividend Option Dividend Option offers Quarterly Dividend Option with Payout and Reinvestment Facility.	Plans : <ul style="list-style-type: none"> SENSEX Plan Nifty Plan SENSEX Plus Plan Options : Each Plan offers Growth Option only.
Growth Option Dividends will not be declared under this Option. The income attributable to Units under this Option will continue to remain invested and will be reflected in the Net Asset Value of Units under this Option. Hence, Unitholders who opt for this Option will not receive any dividend. Dividend Option (Except HDFC Arbitrage Fund & HDFC Index Fund) Under the Dividend Option, it is proposed to declare dividends (half-yearly intervals in case of HDFC Growth Fund and HDFC			

Balanced Fund), subject to availability of distributable profits, as computed in accordance with SEBI (MF) Regulations.

Dividend Option (HDFC Arbitrage Fund)

Dividend Option under Retail Plan and Wholesale Plan of HDFC Arbitrage Fund offers Quarterly Dividend Option.

Quarterly Dividend Option

Under this Option, Unitholders / Beneficial Owners whose names appear in the Register of Unit holders maintained by the Mutual Fund/ statement of beneficial ownership maintained by the Depositories, as applicable, on the 25th day of third month (Record Date will be on the immediate succeeding Business Day if 25th happens to be a non-Business Day) of each quarter i.e. quarter ending March, June, September and December shall be eligible to receive Dividend, if any, declared by the Trustee. In order to be a Unit holder, an investor has to be allotted Units against receipt of clear funds by the Scheme.

Dividend Payout Facility -

● Applicable to all Scheme(s) (Except HDFC Index Fund)

Dividends, if declared, will be paid (subject to deduction of tax at source, if any) to those Unitholders / Beneficial Owners whose names appear in the Register of Unit holders maintained by the Mutual Fund/ statement of beneficial ownership maintained by the Depositories, as applicable, on the notified record date. The Trustee / AMC reserves the right to change the record date from time to time. However, it must be distinctly understood that the actual declaration of dividend and the frequency thereof will inter-alia, depend on the availability of distributable profits as computed in accordance with SEBI (MF) Regulations. The decision of the Trustee in this regard shall be final. There is no assurance or guarantee to Unit holders as to the rate of dividend distribution nor that dividends will be paid regularly. In order to be a Unit holder, an investor has to be allotted Units against receipt of clear funds by the Scheme. On payment of dividends, the NAV will stand reduced by the amount of dividend and dividend tax (if applicable) paid.

Dividend Re-investment Facility - Applicable to all Scheme(s) (Except HDFC Index Fund)

Unit holders opting for Dividend Option may choose to reinvest the dividend to be received by them in additional Units of the Scheme. Under this facility, the dividend due and payable to the Unit holders will be compulsorily and without any further act by the Unit holders, reinvested in the Dividend Option at the prevailing ex-dividend Net Asset Value per Unit on the record date. The amount of dividend re-invested will be net of tax deducted at source, wherever applicable. The dividends so reinvested shall constitute a constructive payment of dividends to the Unit holders and a constructive receipt of the same amount from each Unit holder for reinvestment in Units.

On reinvestment of dividends, the number of Units to the credit of Unit holder will increase to the extent of the dividend reinvested divided by the Applicable NAV as explained above.

There shall, however, be no Entry Load and Exit Load on the dividend so reinvested.

Dividend reinvested under HDFC TaxSaver and HDFC Long Term Advantage Fund would be subject to a lock-in Period of 3 years from the date of allotment of units.

Default Option

Investors should indicate the Plan / Option for which the subscription is made by indicating the choice in the appropriate box provided for this purpose in the application form. In case of valid applications received without indicating any choice of Plan / Option, the following default Plan / Option will be considered:

	Scheme Name	Default Option
	<ul style="list-style-type: none"> ● HDFC Growth Fund ● HDFC Equity Fund ● HDFC Top 200 Fund ● HDFC Capital Builder Fund ● HDFC Core & Satellite Fund ● HDFC Premier Multi-Cap Fund ● HDFC Mid-Cap Opportunities Fund ● HDFC Long Term Equity Fund ● HDFC Infrastructure Fund ● HDFC Long Term Advantage Fund ● HDFC TaxSaver ● HDFC Balanced Fund ● HDFC Prudence Fund 	<ul style="list-style-type: none"> ● Growth Option in case Growth Option or Dividend Option is not indicated. ● Dividend Payout in case Payout or Re-investment is not indicated under the Dividend Option.
	<ul style="list-style-type: none"> ● HDFC Arbitrage Fund 	<ul style="list-style-type: none"> ● Retail Plan in case Retail Plan or Wholesale Plan is not indicated. ● Growth Option in case Growth Option or Dividend Option is not indicated. ● Dividend Re-investment in case Dividend Payout or Dividend Re-investment is not indicated.
<p>The AMC reserves the right to introduce a new option / investment Plan at a later date, subject to the SEBI (MF) Regulations. The AMC also reserves the right to discontinue / withdraw any option / investment plan, if deemed fit, after taking approval of the Board of Directors of AMC and Trustee.</p>		
<p>Dividend Policy</p>	<p>The Trustee reserves the right to declare dividends under the dividend option of the Scheme(s) depending on the availability of distributable profits under the Scheme(s). It must be distinctly understood that the actual declaration of dividend and the frequency thereof will inter-alia, depend on the availability of distributable profits as computed in accordance with SEBI (MF) Regulations and the decision of the Trustee in this regard shall be final. There is no assurance or guarantee to Unit holders as to the rate of dividend distribution nor that dividends will be paid regularly. In order to be a Unit holder, an investor has to be allotted Units against receipt of clear funds by the Scheme(s). On payment of dividends, the NAV will stand reduced by the amount of dividend and dividend tax (if applicable) paid. The Trustee reserves the right to change the record date from time to time.</p> <p>Dividend Distribution Procedure</p> <p>In accordance with SEBI Circular no. SEBI/ IMD/ Cir No. 1/ 64057/06 dated April 4, 2006, the procedure for Dividend Distribution would be as under:</p> <ol style="list-style-type: none"> 1. Quantum of dividend and the record date will be fixed by the Trustee in their meeting. Dividend so decided shall be paid, subject to availability of distributable surplus. 2. Within one calendar day of decision by the Trustee, the AMC shall issue notice to the public communicating the decision about the dividend including the record date, in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the Mutual Fund is situated. 3. Record date shall be the date, which will be considered for the purpose of determining the eligibility of Unitholders / Beneficial Owners whose names appear in the Register of Unit holders maintained by the Mutual Fund/ statement of beneficial ownership maintained by the Depositories, as applicable, for receiving dividends. The Record Date will be 5 calendar days from the issue of notice. 	

	<p>4. The notice will, in font size 10, bold, categorically state that pursuant to payment of dividend, the NAV of the Scheme would fall to the extent of payout and statutory levy (if applicable).</p> <p>5. The NAV will be adjusted to the extent of dividend distribution and statutory levy, if any, at the close of business hours on record date.</p> <p>6. Before the issue of such notice, no communication indicating the probable date of dividend declaration in any manner whatsoever will be issued by Mutual Fund.</p> <p>The requirement of giving notice shall not be applicable for Dividend Options having frequency upto one month.</p>
Allotment	<p>The date of inception of Scheme(s) have been listed under New Fund Offer on Page 55. The Units under the Scheme(s) have been allotted and accordingly, the Account Statements have been issued to the applicants reflecting their investments at the time of NFO.</p> <p>Normally no Unit certificates will be issued. However, if the applicant so desires, the AMC shall issue a non-transferable Unit certificate to the applicant within 5 Business Days of the receipt of request for the certificate. Unit certificate if issued must be duly discharged by the Unit holder(s) and surrendered alongwith the request for Redemption / Switch or any other transaction of Units covered therein.</p> <p>All Units will rank pari passu, among Units within the same Option in the Scheme concerned as to assets, earnings and the receipt of dividend distributions, if any, as may be declared by the Trustee.</p>
<p>Who Can Invest</p> <p>This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.</p>	<p>The following persons (i.e. an indicative list of persons) are eligible and may apply for subscription to the Units of the Scheme(s) provided they are not prohibited by any law / Constitutive documents governing them:</p> <ol style="list-style-type: none"> 1. Indian Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis; 2. Karta of Hindu Undivided Family (HUF); <p>The following persons / entities may also apply for subscription to the Units of HDFC TaxSaver and HDFC Long Term Advantage Fund, subject to, where relevant, purchase of Units being permitted by the respective constitutions, relevant laws and regulations. These entities, will not, however, qualify for Tax benefits under Section 80C of the Income-tax Act, 1961.</p> <ol style="list-style-type: none"> 3. Minor (as the first and the sole holder only) through a natural guardian (i.e. father or mother, as the case may be) or a court appointed legal guardian. There shall not be any joint accounts with minor as the first or joint holder. 4. Partnership Firms & Limited Liability Partnerships (LLPs); 5. Companies, Bodies Corporate, Public Sector Undertakings, Association of Persons or bodies of individuals and societies registered under the Societies Registration Act, 1860; 6. Banks & Financial Institutions; 7. Mutual Funds registered with SEBI; 8. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private trusts authorised to invest in mutual fund schemes under their trust deeds;

9. Non-resident Indians (NRIs)/Persons of Indian Origin residing abroad (PIO) on repatriation basis or on non-repatriation basis;
10. Foreign Institutional Investors (FIIs) registered with SEBI on repatriation basis;
11. Army, Air Force, Navy and other paramilitary units and bodies created by such institutions;
12. Scientific and Industrial Research Organisations;
13. Multilateral Funding Agencies/Bodies Corporate incorporated outside India with the permission of Government of India/Reserve Bank of India;
14. Other schemes of HDFC Mutual Fund subject to the conditions and limits prescribed by SEBI (MF) Regulations;
15. Trustee, AMC, Sponsor and their associates may subscribe to Units under the Scheme(s);
16. Such other individuals/institutions/body corporate etc., as may be decided by the AMC from time to time, so long as wherever applicable they are in conformity with SEBI (MF) Regulations.

Note :

1. Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) residing abroad / Foreign Institutional Investors (FIIs) have been granted a general permission by Reserve Bank of India under Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 for investing in / redeeming units of the mutual funds subject to conditions set out in the aforesaid regulations.
2. In case of application(s) made by Individual Investors under a Power of Attorney, the original Power of Attorney or a certified true copy duly notarised should be submitted. In case of applications made by Non-Individual Investors, the authorized signatories / officials of Non-Individual investors should sign the application under their official designation and as per the authority granted to them under their Constitutive Documents/Board resolutions, etc. A list of specimen signatures of the authorized officials, duly certified / attested should also be attached to the Application Form. The Fund/AMC/Trustees shall deem that the investments made by the Investors are not prohibited by any law/Constitutive documents governing them and they possess the necessary authority to invest/transact.
3. Investors desiring to invest / transact in mutual fund schemes are required to comply with the KYC norms applicable from time to time. Under the KYC norms, Investors are required to provide prescribed documents for establishing their identity and address such as copy of the Memorandum and Articles of Association / bye-laws/trust deed/partnership deed/Certificate of Registration along with the proof of authorization to invest, as applicable, to the KYC Registration Agency (KRA) registered with SEBI.

The Fund / AMC / Trustees / other intermediaries will rely on the declarations/affirmations provided by the Investor(s) in the Application/Transaction Form(s) and the documents furnished to the KRA that the Investor(s) is permitted/authorised by the Constitution document/ their Board of Directors etc. to make the investment / transact. Further, the Investor shall be liable to indemnify the Fund / AMC / Trustee / other intermediaries in case of any dispute regarding the eligibility, validity and authorization of the transactions and / or the applicant who has applied on behalf of the Investor.

	<p>The Fund / AMC / Trustee reserves the right to call for such other information and documents as may be required by it in connection with the investments made by the investors.</p> <ol style="list-style-type: none"> Returned cheques are liable not to be presented again for collection, and the accompanying application forms are liable to be rejected. In case the returned cheques are presented again, the necessary charges are liable to be debited to the investor. The Trustee, reserves the right to recover from an investor any loss caused to the Schemes on account of dishonour of cheques issued by the investor for purchase of Units of this Scheme. Subject to the SEBI (MF) Regulations, any application for Units may be accepted or rejected in the sole and absolute discretion of the Trustee. The Trustee may inter-alia reject any application for the purchase of Units if the application is invalid or incomplete or if the Trustee for any other reason does not believe that it would be in the best interest of the Scheme or its Unitholders to accept such an application.
How to Apply	Please refer to the SAI and Application form for the instructions.
Listing	Being open ended Scheme(s) under which Sale and Redemption of Units will be made on continuous basis by the Mutual Fund (subject to completion of lock-in period, if any), the Units of the Scheme(s) are not proposed to be listed on any stock exchange. However, the Mutual Fund may at its sole discretion list the Units under the Scheme(s) on one or more stock exchange at a later date.
The policy regarding re-issue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	The number of Units held by the Unit holder under his folio / Demat Account will stand reduced by the number of Units redeemed. Presently, the AMC does not intend to reissue the repurchased units. However, the Trustee reserves the right to reissue the repurchased units at a later date after issuing adequate public notices and taking approvals, if any, from SEBI.
Restrictions, if any, on the right to freely retain or dispose of units being offered.	<p>The Units of the Scheme(s) are not transferable except Units of the Scheme(s) held in electronic (demat) mode. However, units of HDFC Long Term Advantage Fund and HDFC TaxSaver held under lock-in (irrespective of the mode of holding) shall not be transferable until completion of lock-in period. In view of the same, additions / deletions of names will not be allowed under any folio of the Scheme(s). However, the said provisions will not be applicable in case a person (i.e. a transferee) becomes a holder of the Units by operation of law or upon enforcement of pledge, then the AMC shall, subject to production of such satisfactory evidence and submission of such documents, proceed to effect the transfer, if the intended transferee is otherwise eligible to hold the Units of the Scheme(s).</p> <p>The said provisions in respect of deletion of names will not be applicable in case of death of a Unit holder (in respect of joint holdings) as this is treated as transmission of Units and not transfer.</p> <p>RIGHT TO LIMIT REDEMPTIONS</p> <p>The AMC, may in the general interest of the Unit holders in each Plan(s) / Option(s) of the Scheme(s), keeping in view the unforeseen circumstances / unsure conditions, limit the total number of Units which may be redeemed on any Business Day to 15% (in case of HEF, HT200, HCBF, HTS, HPF) and 5% (in case of HGF, HAF, HC&SF, HMCOF, HLTEF, HINF, HDFC INDEX FUND, HPMCF, HLTAf, HBF) of the total number of Units then in issue under each Plan / Option of the Scheme(s) (or such higher percentage as the AMC may decide in any particular case). In addition, in case of HGF, HAF, HC&SF, HPMCF, HMCOF,</p>

HLTEF, HINF, HDFC INDEX FUND, HLTAf, HBF the Trustee reserves the right, in its sole discretion, to limit the redemption with respect to any single account to an amount of ₹ 2 crores on any Business Day. Any units which by virtue of these limitations are not Redeemed on a particular Business Day will be carried for Redemption to the next Business Day, in the order of receipt. Redemption so carried forward will be priced on the basis of Redemption Price of the Business Day on which Redemption is made. Under such circumstances, to the extent multiple Redemption requests are received at the same time on a single Business Day, Redemption will be made on a pro-rata basis, based on the size of each Redemption request, the balance amount being carried forward for the Redemption to the next Business Day(s).

SUSPENSION OF SALE / REDEMPTION / SWITCHING OPTIONS OF THE UNITS

The Mutual Fund at its sole discretion reserves the right to withdraw Sale and / or Redemption or Switching of the Units in the Scheme(s) (including Plan / Option of the Scheme) temporarily or indefinitely, if in the opinion of the AMC the general market conditions are not favourable and / or suitable investment opportunities are not available for deployment of funds.

Further, the indicative list of circumstances under which sale and/or redemption or switching of units may temporarily be suspended is as follows:

1. When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the Scheme are closed otherwise than for ordinary holidays.
2. When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Scheme are not reasonable, or would not reasonably be practicable without being detrimental to the interests of the Unit holders.
3. In the event of breakdown in the means of communication used for the valuation of investments of the Scheme, without which the value of the securities of the Scheme cannot be accurately calculated.
4. During periods of extreme volatility of markets, which in the opinion of the AMC are prejudicial to the interests of the Unit holders of the Scheme.
5. In case of natural calamities, war, strikes, riots and bandhs.
6. In the event of any force majeure or disaster that affects the normal functioning of the AMC or the ISC.
7. During the period of Book Closure.
8. If so directed by SEBI.

Additionally, the AMC reserves the right in its sole discretion to withdraw the facility of Sale and Switching Option of Units into the Scheme(s) (including any one Plan / Option of the Scheme), temporarily or indefinitely, if AMC views that changing the size of the corpus may prove detrimental to the existing Unit holders of the Scheme(s) or for any other reason deemed fit by the AMC / Trustee.

Suspension or restriction of Redemption facility shall be made applicable only after the approval of the Board of Directors of the AMC and the Trustee. The approval from the AMC Board and the Trustee giving details of circumstances and justification for the proposed action shall also be informed to SEBI in advance.

B. ONGOING OFFER DETAILS

<p>Ongoing Offer Period</p> <p>This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.</p>	<p>The Scheme(s) will offer for Sale / Switch-in and Redemption / Switch-out (subject to completion of lock-in period) of Units on every Business Day. Units of the Scheme(s) would be available at Applicable NAV on any Business Day from any of the ISCs.</p> <p>Unit holders have an option to hold the Units in electronic (dematerialized) form. However, currently this facility is not available in case of units offered under the Daily/ Weekly/ Fortnightly Dividend Option(s). Further, Switch facility is also not available for Units held in Demat Form. Units held in demat form will be transferable. Holding / transacting of units held in demat mode shall be in accordance with the procedures / requirements laid down by the Depositories, viz. NSDL/ CDSL in accordance with the provisions under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.</p> <p>SUBSCRIPTION OF UNITS</p> <p>Existing/ New Investors under the Scheme(s) may submit their purchase/switch - in requests as follows:</p> <ol style="list-style-type: none"> 1. Account Statement (non-demat) form: Investors/ existing Unitholders opting for units in account statement (non- demat) form, can submit their valid application for subscription/switch-in at any of the Official Points of Acceptance of HDFC Mutual Fund. 2. Electronic (demat) form: Investors/ existing Unitholders, opting for units in demat form, can submit their valid application for subscription only at any of the Official Points of Acceptance of HDFC Mutual Fund and not to their Depository Participants. Investor opting for units in demat form will be required to mention in the application form DP ID No. and Beneficiary Account No. with the Depository Participant (DP). The Units allotted will be credited to the DP account of the Unit holder as per the details provided in the application form. The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically. <p>Applications by Existing / New Investors under the Scheme(s) must be for the minimum amount(s) as mentioned on Page 64. The AMC reserves the right to change the minimum application amount from time to time.</p> <p>Subscriptions on an ongoing basis will be made only by specifying the amount to be invested and not the number of Units to be subscribed. The total number of Units allotted will be determined with reference to the applicable Sale Price and fractional Units may be created. Fractional Units will be computed and accounted for upto three decimal places.</p> <p>Mode of Payment for Purchase transactions (Applicable to HDFC Index Fund):</p> <p>All applications for purchase of units including additional purchases for an amount of ₹ 5 Lakhs and above will be accepted with payment mode only as Real Time Gross Settlement (RTGS) /National Electronic Funds Transfer (NEFT)/ Funds Transfer Letter/ Transfer Cheque of a bank where the Scheme has a collection account.</p> <p>Any application for an amount of ₹ 5 Lakhs and above with payment mode other than the above will be rejected.</p> <p>REDEMPTION OF UNITS</p> <p>The Units can be Redeemed (i.e. sold back to the Mutual Fund) or Switched-out (subject to completion of Lock-in Period, if any) on every Business Day at the Redemption Price.</p> <p>Unit holders may submit their redemption / switch-out requests as follows:</p>
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	<p>1. Demat (electronic) form: Unitholders should submit their valid redemption request to their Depository Participant (DP). The redemption proceeds will be credited to the bank account of the Unitholder, as per the bank account details recorded with the DP.</p> <p>2. Account Statement (non-demat) form: The Redemption / Switch-out request can be made by way of a written request on a pre-printed form or Transaction Slip, which should be submitted at / may be sent by mail to any of the ISCs.</p> <p>In case the Units are held in the names of more than one Unit holder, where mode of holding is specified as "Joint", Redemption requests will have to be signed by all the joint holders. However, in cases of holding specified as 'Anyone or Survivor', any of the Unit holders will have the power to make Redemption request, without it being necessary for all the Unit holders to sign. However, in all cases, the Redemption proceeds will be paid only to the first named holder.</p> <p>(Investment in HDFC TaxSaver and HDFC Long Term Advantage Fund will have to be kept for a minimum period of three years from the date of allotment of Units. After the said period of three years, the Unit holders shall have the option to tender the Units to the Mutual Fund for Redemption / Switch.</p> <p>It may, however, be noted that in the event of death of the Unit holder, the nominee or legal heir, (subject to production of requisite documentary evidence to the satisfaction of the AMC) as the case may be, shall be able to redeem the investment only after the completion of one year or any time thereafter, from the date of allotment of the Units to the deceased Unit Holder.)</p> <p>DEMATERIALIZATION/ REMATERIALIZATION OF UNITS</p> <p>If the Unit holder desires to hold the Units in a Dematerialized / Rematerialized form at a later date, the request for conversion of units held in Account Statement (non demat) form into Demat (electronic) form or vice versa should be submitted alongwith a Demat/Remat Request Form to their Depository Participants.</p> <p>However, the Trustee / AMC reserves the right to change the dematerialization / rematerialization process in accordance with the procedural requirements laid down by the Depositories, viz. NSDL/ CDSL and/or in accordance with the provisions laid under the Depositories Act, 1996 and Regulations thereunder.</p>
<p>Ongoing Price for subscription (purchase)/ switch-in (from other schemes/plans of the mutual fund) by investors.</p> <p>This is the price you need to pay for purchase/ switch-in.</p>	<p>The Sale Price will be the Applicable NAV of the Scheme / Plan / Option.</p>
<p>Ongoing Price for redemption (sale)/ switch-outs (to other schemes/plans of the mutual fund) by investors.</p> <p>This is the price you will receive for redemptions/switch-outs</p>	<p>Redemption Price will be calculated on the basis of the loads for different Scheme(s). The Redemption Price per Unit will be calculated using the following formula:</p> <p>Redemption Price = Applicable NAV * (1 - Exit Load, if any)</p> <p>Example : If the Applicable NAV is ₹10 and a 2% Exit Load is charged, the Redemption Price per Unit will be calculated as follows:</p> <p>= ₹ 10 * (1-0.02)</p> <p>= ₹ 10 * (0.98)</p> <p>= ₹ 9.80</p>
<p>Cut off timing for subscriptions/redemptions/switches</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p>For Purchases including switch-ins</p> <p>In respect of valid applications received upto 3 p.m. on a Business Day by the Fund along with a local cheque or a demand draft payable at par at the official Point/s of acceptance where the application is received, the closing NAV of the day on which application is received shall be applicable.</p>

	<p>In respect of valid applications received after 3 p.m. on a Business Day by the Fund alongwith a local cheque or a demand draft payable at par at the official Point/s of acceptance where the application is received, the closing NAV of the next Business Day shall be applicable.</p> <p>However, in respect of valid applications with outstation cheques/ demand drafts not payable at par at the official Point/s of acceptance where the application is received, closing NAV of the day on which cheque/demand draft is credited shall be applicable.</p> <p>For Redemptions including switch-outs</p> <p>In respect of valid applications received upto 3 p.m. on a Business Day by the Fund, same day's closing NAV shall be applicable.</p> <p>In respect of valid applications received after 3 p.m. on a Business Day by the Fund, the closing NAV of the next Business Day shall be applicable.</p> <p>Transactions through online facilities / electronic modes:</p> <p>The time of transaction done through various online facilities / electronic modes offered by the AMC, for the purpose of determining the applicability of NAV, would be the time when the request for purchase / sale / switch of units is received in the servers of AMC/RTA.</p> <p>The AMC has the right to amend cut off timing subject to SEBI (MF) Regulations for the smooth and efficient functioning of the Scheme(s).</p>
Where can the applications for purchase/ redemption / switches be submitted?	<p>The application forms for subscription/ redemption/switches should be submitted at / may be sent by mail to, any of the ISCs / Official Points of Acceptance whose names and addresses are mentioned on Page 95 to 99 of the SID.</p> <p>For details on updated list of ISCs / Official Points of Acceptance investors are requested to call 1800 233 6767 or contact the AMC branches or log on to our website www.hdfcfund.com</p>
Minimum amount for purchase/redemption/switches	<p>Minimum amount for Purchase (including Switch-in): HDFC Growth Fund, HDFC Equity Fund, HDFC Top 200 Fund, HDFC Capital Builder Fund, HDFC Core & Satellite Fund, HDFC Premier Multi-Cap Fund, HDFC Mid-Cap Opportunities Fund, HDFC Long Term Equity Fund, HDFC Infrastructure Fund, HDFC Index Fund, HDFC Balanced Fund and HDFC Prudence Fund (under each Plan / Option)</p> <p>Purchase : ₹ 5,000 and any amount thereafter.</p> <p>Additional Purchase: ₹ 1,000 and any amount thereafter.</p> <p>Mode of Payment for Purchase transactions (Applicable to HDFC Index Fund):</p> <p>All applications for purchase of units including additional purchases for an amount of ₹ 5 Lakhs and above will be accepted with payment mode only as Real Time Gross Settlement (RTGS) /National Electronic Funds Transfer (NEFT)/ Funds Transfer Letter/ Transfer Cheque of a bank where the Scheme has a collection account.</p> <p>Any application for an amount of ₹ 5 Lakhs and above with payment mode other than the above will be rejected.</p> <p>HDFC Long Term Advantage Fund and HDFC TaxSaver: (under each Option)</p> <p>Purchase and Additional Purchase : ₹ 500 and in multiples of ₹ 500 thereafter.</p> <p>HDFC Arbitrage Fund:</p> <p>Wholesale Plan : (Growth / Quarterly Dividend Option) Purchase / Additional Purchase : ₹ 1 crore and any amount thereafter.</p>

	Retail Plan : (Growth / Quarterly Dividend Option) Purchase / Additional Purchase : ₹ 5,000 and any amount thereafter.				
	Minimum Amount / Units For Redemption (including Switch-out): The Redemption / Switch-out would be permitted to the extent of credit balance in the Unit holder's account of the Plan(s) / Option(s) of the Scheme(s) (subject to Completion of Lock-in period). The Redemption / Switch-out request can be made by specifying the rupee amount or by specifying the number of Units of the respective Plan(s) / Option(s) to be Redeemed. If a Redemption / Switch-out request is for both, a specified rupee amount and a specified number of Units of the respective Plan(s) / Option(s), the specified number of Units will be considered the definitive request. If only the Redemption / Switch-out amount is specified by the Unit holder, the AMC will divide the Redemption / Switch-out amount so specified by the Redemption Price to arrive at the number of Units. The request for Redemption / Switch-out of Units could also be in fractions, upto three decimal places. Redemption / Switch-out request can be made for a minimum amount as mentioned in table below :				
	Particulars	HDFC Growth Fund, HDFC Equity Fund, HDFC Top 200 Fund, HDFC Capital Builder Fund, HDFC Long Term Advantage Fund, HDFC TaxSaver, HDFC Balanced Fund and HDFC Prudence Fund (under each Plan / Option)	HDFC Index Fund (under each Plan)	HDFC Core & Satellite Fund, HDFC Premier Multi-Cap Fund, HDFC Mid-Cap Opportunities Fund, HDFC Long Term Equity Fund, and HDFC Infrastructure Fund (under each option)	HDFC Arbitrage Fund
	Redemption / Switch out	₹ 500 or 50 Units	₹ 500	₹ 1,000 or 100 Units	Retail Plan : (under each option) ₹ 1,000 or 100 Units Wholesale Plan : (under each option) ₹ 50,000 or 5,000 Units
Minimum balance to be maintained and consequences of non-maintenance.	Investors may note that in case balance in the account of the Unit holder of the Plan(s) / Option(s) of the Scheme(s) does not cover the amount of Redemption request, then the Mutual Fund is authorised to close the account of the Unit holder and send the entire such (lesser) balance to the Unit holder. Closure of Unit Holders' Account Investors may note that the AMC at its sole discretion may close a Unit holder's account under a Plan / Option of the Scheme(s) after giving notice of 30 days, if at the time of any part Redemption, the value of balance Units (represented by the Units in the Unit holder's account if such Redemption / Switch were to take place, valued at the applicable Redemption Price), falls below minimum amount / units for Redemption as mentioned above (or as the AMC may decide from time to time) or where the Units are held by a Unit holder in breach of any Regulation.				
Special Products available	SYSTEMATIC INVESTMENT PLAN (SIP) The Unit holders under the eligible Scheme(s) can benefit by investing specified Rupee amounts at regular intervals for a continuous period. Under the SIP, Investors can invest a fixed amount of Rupees at regular intervals for purchasing additional Units of the Scheme(s) at Applicable NAV. This concept is called Rupee Cost Averaging .				

Unit holder can enroll for the SIP facility by submitting duly completed Enrolment Form at the Official Point(s) of Acceptance. It may be noted that new investors can apply for SIP without any existing investment/folio. The provision for minimum application amount shall not be applicable to SIP investments.

Presently, SIP offers investors two plans viz. 'Monthly Systematic Investment Plan (MSIP)' and 'Quarterly Systematic Investment Plan (QSIP)'. Minimum amount per SIP installment is ₹ 500 and in multiples of ₹ 100 thereafter under MSIP and ₹ 1,500 and in multiples of ₹ 100 thereafter under QSIP. Minimum amount for HDFC Long Term Advantage Fund* and HDFC TaxSaver* per SIP installment is ₹ 500 and in multiples of ₹ 500 thereafter under MSIP and ₹ 1,500 and in multiples of ₹ 500 thereafter under QSIP.

Additionally, investors may avail for SIP Top-up facility wherein those who have enrolled for SIP, have an option to increase the amount of the SIP Installment by a fixed amount at pre-defined intervals. This will enhance the flexibility of the investor to invest higher amounts during the tenure of the SIP. SIP Top-up facility shall be available for SIP Investments through ECS (Debit Clearing) / Direct Debit Facility/Standing Instruction only. The Top-up amount should be in multiples of ₹ 500 only. Monthly SIP offers top-up frequency at half yearly and yearly intervals. Quarterly SIP offers top-up frequency at yearly intervals only. In case the top-up frequency is not indicated under Monthly SIP, it will be considered as yearly interval.

An Illustration: How to calculate the SIP Top-up amount?

SIP Period : 01-Jan-2011 to 01-Dec-2012 (2 Years)

Scheme Name : HDFC Equity Fund

Monthly SIP Installment Amount : ₹ 2,000

SIP Date : 1st of every month (24 installments)

Top-up Amount: ₹ 1,000 Top-up Frequency: Half Yearly

SIP Installments shall be as follows:

Installment No(s).	From Date	To Date	Monthly SIP Installment Amount in B	SIP Top-up Amount in B	Increased Monthly SIP Installment Amount in B
			(A)	(B)	(A + B)
1 to 6	1-Jan-11	1-Jun-11	2,000	N.A.	2,000
7 to 12	1-Jul-11	1-Dec-11	2,000	1,000	3,000
13 to 18	1-Jan-12	1-Jun-12	3,000	1,000	4,000
19 to 24	1-Jul-12	1-Dec-12	4,000	1,000	5,000

N.A. - Not Applicable

Note: Monthly SIP Installment Amount increases by Top-up amount ₹ 1,000 at half-yearly intervals.

- Minimum number of installments under MSIP :
 - ❖ For Schemes other than HDFC TaxSaver* and HDFC Long Term Advantage Fund*:
 - In respect of each SIP Installment less than ₹ 1,000/- in value: 12
 - In respect of each SIP Installment equal to or greater than ₹ 1,000/- in value: 6
 - ❖ For HDFC TaxSaver* and HDFC Long Term Advantage Fund* : 6
- Minimum number of installments under QSIP :
 - ❖ For Schemes other than HDFC TaxSaver* and HDFC Long Term Advantage Fund*:
 - In respect of each SIP Installment less than ₹ 3,000/- in value: 4
 - In respect of each SIP Installment equal to or greater than ₹ 3,000/- in value: 2

- ❖ For HDFC TaxSaver* and HDFC Long Term Advantage Fund* : 2

**an open-ended equity linked savings scheme with a lock-in period of 3 years.*

There is no maximum duration for SIP enrolment. However, for SIP registration requests received on/after April 1, 2011, the Mutual Fund/ AMC will register SIP in the folio held by a minor only till the date of the minor attaining majority, even though the instructions may be for a period beyond that date. The SIP facility will automatically stand terminated upon the Unit Holder attaining 18 years of age.

For SIPs registered prior to April 1, 2011, the AMC/Mutual Fund shall continue to process the existing SIP as registered beyond the date of the minor attaining major status till instruction from the major to terminate the SIP is received by the AMC/ Mutual Fund along with the prescribed documents for change of account status from minor to major, if not submitted earlier.

For folios where the units are held on behalf of the minor, the account shall be frozen for operation by the guardian on the day the minor attains majority and no transactions shall be permitted till the requisite documents for changing the status of the account from 'minor' to 'major' are submitted.

Investors can invest under this facility at periodic intervals by providing post-dated cheques to Official Point(s) of Acceptance. An investor is eligible to issue only one cheque for each month/ quarter in the same SIP enrolment form. All SIP cheques under MSIP and QSIP should be of the same amount and same date.

However, first cheques could be of any date but all subsequent cheques should be dated 1st, 5th, 10th, 15th, 20th or 25th. The first cheque and subsequent cheque should not fall in the same month in case of MSIP and in the same quarter in case of QSIP. The cheques should be drawn in favour of respective Scheme(s) e.g. **"HDFC Growth Fund A/c PAN"** or **"HDFC Growth Fund A/c Investor Name"** (in case of **HDFC Index Fund** the name of specific Plan should also be mentioned) and crossed **"A/c Payee only"**.

On receipt of the post dated cheques, the Fund will send a letter to the Unit holder confirming that the Unit holder's name has been noted for the SIP facility. The cheques will be presented on the dates mentioned on the cheque and subject to realization of the cheque, Units will be allotted at the Applicable NAV. In case the SIP date falls on a holiday or falls during a Book Closure period, the immediate next Business Day will be considered for this purpose.

Investors / Unit holders may also enroll for SIP Auto Debit facility through Electronic Clearing Service (Debit Clearing) of the Reserve Bank of India or for SIP Direct Debit Facility / Standing Instruction Facility available with specified Banks / Branches. In order to enroll for SIP Auto Debit facility or Direct Debit Facility or Standing Instruction, an investor must fill-up the SIP Enrolment Form (for investment through AutoDebit / ECS / Standing Instructions).

Investors investing through SIP facility, have an option to hold the Units in dematerialized form (except for units offered under the Daily/ Weekly/Fortnightly Dividend Options). The units will be allotted in demat form based on the Applicable NAV and will be credited to investor's Demat Account on weekly basis on realisation of funds. For e.g. Units will be credited to investor's Demat account every Monday on the basis of realization status received during the last week (Monday to Friday).

Investors will have the right to discontinue the SIP facility at any time by sending a written request to any of the Official Point(s) of Acceptance. Notice of such discontinuance should be received at least 15 days prior to the due date of the next installment. On receipt of such request, the SIP facility will be terminated.

The balance post-dated cheque/s will be returned to the Investor.

Exit Load, if any, prevailing on the date of enrolment shall be levied in the Scheme.

Transactions Charges shall be deducted from SIP installments, if applicable. For further details, refer to the section 'Transaction Charges' on **Page 91**.

The AMC / Trustee reserves the right to change / modify load structure and other terms and conditions under the SIP prospectively at a future date.

Please refer to the SIP Enrolment Form for terms & conditions before enrolment.

MICRO SYSTEMATIC INVESTMENT PLAN ("Micro SIP")

Investors may enroll with the Mutual Fund for Micro SIPs subject to adherence with the following:

Systematic Investment Plans (SIPs) where aggregate of installments in a rolling 12 month period or in a financial year i.e. April to March does not exceed ₹ 50,000 (hereinafter referred as "Micro SIP") shall be exempt from the requirement of PAN on submission of a photocopy of any one of the Photo Identification document.

This exemption will be applicable only to investments by individuals [including Joint Holders who are individuals, NRIs but not Persons of Indian Origin (PIOs)], Minors and Sole proprietary firms, who do not have a PAN. Hindu Undivided Families (HUFs) and other categories will not be eligible for the exemption.

The investor will have to submit the Proof of Address alongwith the photo identification documents to enable AMCs/RTAs to carry out KYC of the investor.

Eligible Investors (including joint holders) should submit a photocopy of any one of the (current and valid) Photo Identification documents as proof of identification and the Proof of Address [self-attested by the investor / attested by the ARN Holder/AMFI registered Distributor mentioning the ARN number] along with Micro SIP applications. The list of acceptable Photo Identification documents and proof of address documents is given in the Micro SIP Enrolment Form.

Investors who wish to enroll for Micro SIP are required to fill in the Micro SIP Enrolment Form available with the ISCs, distributors/agents and also displayed on the website www.hdfcfund.com

All terms and conditions (including load structure and Transaction Charges) of Systematic Investment Plans (SIPs) (except SIP Top-up facility) shall apply to Micro SIPs.

The Trustee reserves the right to change/modify the terms and conditions of Micro SIPs at a later date on a prospective basis.

Please refer to the Micro SIP Enrolment Form for terms & conditions before enrolment.

GROUP SYSTEMATIC INVESTMENT PLAN (GSIP)

GSIP means the Systematic Investment Plan for participation by the Employee of the Corporate to subscribe to the Units of the various Schemes launched from time to time.

GSIP offers investors Monthly Systematic Investment Plan (MSIP).

There is no maximum duration for GSIP enrolment.

Under GSIP Corporate can only select the GSIP date. All GSIP cheques must be dated 1st, 5th, 10th, 15th, 20th or 25th of a month. All GSIP cheques should be of the same date. The GSIP date selected from the abovementioned dates by the Corporate cannot be changed. The cheques should be drawn in favour of "HDFC Mutual Fund-Corporate Name", and crossed

"A/c Payee Only". The Corporate must write the 'Corporate Code Number ('CCN')' on the reverse of the cheque(s). For details Mode of Payment, please refer to Terms and Conditions of GSIP as mentioned in the Application cum Group Systematic Investment Plan (GSIP) Enrolment Form.

Investors investing through GSIP facility, have an option to hold the Units in dematerialized form (except for units offered under the Daily/ Weekly/Fortnightly Dividend Options). The units will be allotted in demat form based on the Applicable NAV and will be credited to investor's Demat Account on weekly basis on realisation of funds. For e.g. Units will be credited to investor's Demat account every Monday on the basis of realization status received during the last week (Monday to Friday).

Exit Load, if any, prevailing on the date of enrolment shall be levied in the Scheme.

Transactions Charges shall be deducted from SIP installments, if applicable. For further details, refer to the section '**Transaction Charges**' on **Page 91**.

The AMC / Trustee reserve the right to change / modify load structure and other terms and conditions under the GSIP prospectively at a future date.

For further details on GSIP, please refer to Application cum GSIP Enrolment Form.

FACILITY TO PURCHASE / REDEEM UNITS OF THE SCHEME(S) THROUGH STOCK EXCHANGE(S).

A Unitholder may purchase / redeem units of eligible schemes through the Stock Exchange infrastructure.

This facility i.e. purchase / redemption of units will be available to both existing and new investors. The investors will be eligible to only purchase / redeem units of the eligible schemes. The list of eligible schemes is subject to change from time to time. Switching of units is not permitted. Investors have an option to hold the units in physical or dematerialized form. In order to facilitate transactions in mutual fund units through the stock exchange infrastructure, BSE has introduced BSE StAR MF Platform and NSE has introduced Mutual Fund Service System (MFSS). All trading members of BSE & NSE who are registered with AMFI as Mutual Fund Advisors and who have signed up with HDFC Asset Management Company Limited and also registered with BSE & NSE as Participants ("AMFI certified stock exchange brokers" or "Brokers") will be eligible to offer this facility to investors. Additionally, the units of the Scheme are permitted to be transacted through Clearing Members of the registered Stock Exchanges. Further, the Depository Participants of registered Depositories are permitted to process only redemption request of units held in demat form.

The units of eligible Schemes are not listed on BSE & NSE and the same cannot be traded on the Stock Exchange. The window for purchase/redemption of units on BSE & NSE will be available between 9 a.m. and 3 p.m. or such other timings as may be decided. Investors who are interested in transacting in eligible scheme(s) should register themselves with Brokers/Clearing Members/Depository Participants.

The eligible AMFI certified stock exchange Brokers/Clearing Members/Depository Participants who have complied with the conditions stipulated in SEBI Circular No. SEBI /IMD / CIR No.11/183204/2009 dated November 13, 2009 for stock brokers viz. AMFI /NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund will be considered as Official Points of Acceptance (OPA) of the Mutual Fund.

Investors will be able to purchase/redeem units in eligible schemes in the following manner:

i. Purchase of Units:

a. Physical Form

- The investor who chooses the physical mode is required to submit all requisite documents along with the purchase application (subject to applicable limits prescribed by BSE/NSE) to the Brokers or Clearing Members.
- The Broker/Clearing member shall verify the application for mandatory details and KYC compliance.
- After completion of the verification, the purchase order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor.
- The investor will transfer the funds to the Brokers/ Clearing Members.
- Allotment details will be provided by the Brokers/ Clearing Members to the investor.

b. Dematerialized Form

- The investors who intend to deal in depository mode are required to have a demat account with CDSL/ NSDL.
- The investor who chooses the depository mode is required to place an order for purchase of units (subject to applicable limits prescribed by BSE/NSE) with the Brokers or Clearing Members.
- The investor should provide their depository account details to the Brokers/ Clearing Members.
- The purchase order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor.
- The investor will transfer the funds to the Brokers/ Clearing Members.
- Investors shall receive the units through Broker/ Clearing Member's pool account. The AMC/ Mutual Fund shall credit the units into Broker/ Clearing Member's pool account and Broker/Clearing Member in turn shall credit the units to the respective investor's demat account.
- Such credit of units by the AMC/ Mutual Fund to the Broker / Clearing Member's pool account shall discharge AMC/ Mutual Fund of its obligation of allotment of units to the individual investor.
- Allotment details will be provided by the Brokers/ Clearing Members to the investor.

ii. Redemption of Units:

a. Physical Form

► **Routed through Brokers/Clearing Members**

- The investor who chooses the physical mode is required to submit all requisite documents along with the redemption application (subject to applicable limits prescribed by BSE/NSE) to the Brokers or Clearing Members.
- The redemption order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor.
- The redemption proceeds will be credited to the bank account of the investor, as per the bank account details recorded with the Mutual Fund.

b. Dematerialized Form

► **Routed through Brokers/Clearing Members**

- The investors who intend to deal in Depository mode are required to have a demat account with CDSL/

NSDL and units converted from physical mode to demat mode prior to placing of redemption order.

- The investor who chooses the depository mode is required to place an order for redemption (subject to applicable limits prescribed by BSE/NSE) with the Brokers or Clearing Members.
- The investors should provide their Depository Participant with Depository Instruction Slip with relevant units to be credited to Clearing Corporation pool account.
- The redemption order will be entered in the system and an order confirmation slip will be issued to investor.
- Investors shall receive redemption amount through Broker/Clearing Member's account. The AMC/ Mutual Fund shall pay proceeds to the Broker/Clearing Member and Broker/Clearing Member in turn to the respective investor's account.
- Such payment of redemption proceeds by the AMC/ Mutual Fund to the Broker / Clearing Member shall discharge the AMC/ Mutual Fund of its obligation of payment to the individual investor.

► **Routed Through Depository Participants**

- The investors who intend to deal in Depository mode are required to have units in the demat account maintained with CDSL/ NSDL prior to placing of redemption order with their Depository Participant.
- The investors should provide their Depository Participant with Depository Instruction Slip with relevant Scheme ISIN and units to be redeemed.
- The redemption proceeds will be credited to the bank account of the investor, as per the bank account details recorded with the Depository Participant.

Unitholders are requested to note that request for conversion of units held in Account Statement (non-demat) form into Demat (electronic) form or vice versa should be submitted alongwith a Demat/Remat Request Form to their Depository Participants.

Applications for purchase/redemption of units which are incomplete /invalid are liable to be rejected. Separate folios will be allotted for units held in physical and demat mode. The applicability of NAV will be subject to guidelines issued by SEBI on Uniform cut-off timings for applicability of NAV of Mutual Fund Scheme(s)/Plan(s). In case of non-financial requests/ applications such as change of address, change of bank details, etc. investors should approach Investor Service Centres (ISCs) of HDFC Mutual Fund if units are held in physical mode and the respective Depository Participant(s) if units are held in demat mode. An account statement will be issued by HDFC Mutual Fund to investors who purchase/ redeem their units under this facility in physical mode. In case of investors who intend to deal in units in depository mode, a demat statement will be sent by Depository Participant showing the credit/debit of units to their account.

Investors will have to comply with Know Your Customer (KYC) norms as prescribed by BSE/NSE/CDSL/ NSDL and the Mutual Fund to participate in this facility. Investors should contact the Investor Service Centres (ISCs) of HDFC Mutual Fund for further details.

The facility to transact units through the stock exchange infrastructure shall be in accordance with SEBI Circular No. SEBI /IMD / CIR No.11/183204/ 2009 dated November 13, 2009 and No. CIR/IMD/DF/17/2010 dated November 9, 2010 as amended from time to time as also in accordance with the procedures and guidelines issued by the respective Stock Exchanges and the Depositories from time to time.

The Trustee reserves the right to change/modify the features of this facility at a later date.

SYSTEMATIC TRANSFER PLAN (STP)

A Unit holder holding units in non-demat form may enroll for the Systematic Transfer Plan and choose to Switch on a daily, weekly, monthly or quarterly basis from one HDFC Mutual Fund scheme to another scheme, which is available for investment at that time. The provision of "Minimum Redemption Amount" of the designated Transferor Scheme(s) and "Minimum Application Amount" of the designated Transferee Scheme(s) shall not be applicable to STP.

The amount thus switched shall be converted into Units on the scheduled date and such number of Units will be subtracted from the Unit balance of that Transferor Scheme(s). In case these dates fall on a Holiday or fall during a Book Closure period, the next Business Day will be considered for this purpose. The amount so switched shall be reinvested in the Transferee Scheme / Plan.

Presently STP offers investor two plans viz. Fixed Systematic Transfer Plan (FSTP) with daily, weekly, monthly and quarterly frequency and Capital Appreciation Systematic Transfer Plan (CASTP) with monthly and quarterly frequency.

The minimum number of installments under each Plan are as follows.

Under Daily FSTP:

- For schemes other than HDFC TaxSaver* and HDFC Long Term Advantage Fund*:
 - where installment amount is less than ₹ 1,000/- : 12
 - where installment amount is equal to or greater than ₹ 1,000/- : 6
- For HDFC TaxSaver* and HDFC Long Term Advantage Fund*: 6

**an open-ended equity linked savings scheme with a lock-in period of 3 years.*

Under Weekly FSTP, Monthly FSTP & Monthly CASTP:

- Minimum 6 installments

Under Quarterly FSTP & Quarterly CASTP:

- Minimum 2 installments

Further, the minimum balance in the Unit holders account or the minimum amount of application at the time of enrolment for STP in the Transferor Scheme should be ₹12,000.

There will be no maximum duration for STP enrolment. For STP registration requests received on/after April 1, 2011, the Mutual Fund/ AMC will register STP in the folio held by a minor only till the date of the minor attaining majority, even though the instructions may be for a period beyond that date. The STP facility will automatically stand terminated upon the Unit Holder attaining 18 years of age.

However, for STPs registered prior to April 1, 2011, the AMC/ Mutual Fund shall continue to process the existing STP as registered beyond the date of the minor attaining major status till instruction from the major to terminate the STP is received by the AMC/Mutual Fund along with the prescribed documents for change of account status from minor to major, if not submitted earlier.

For folios where the units are held on behalf of the minor, the account shall be frozen for operation by the guardian on the day the minor attains majority and no transactions shall be permitted till the requisite documents for changing the status of the account from 'minor' to 'major' are submitted.

The amount transferred under the STP from the Transferor Scheme to the Transferee Scheme shall be effected by redeeming units of Transferor Scheme at Applicable NAV, **after payment of Exit Load, if any**, and subscribing to the units of the Transferee Scheme at Applicable NAV in respect of each STP investment. In case the STP date falls on a Non-Business Day or falls during a book closure period, the immediate next

Business Day will be considered for the purpose of determining the applicability of NAV.

Unit holders may change the amount (but not below the specified minimum) by giving written notice to any of the Official Point(s) of Acceptance. Unit holders will have the right to discontinue the STP facility at any time by sending a written request to the Official Point(s) of Acceptance. Notice of such discontinuance should be received at least 10 days prior to the due date of the next transfer date. On receipt of such request, the STP facility will be terminated. STP will be terminated automatically if all the Units are liquidated or withdrawn from the Transferor Scheme or pledged or upon the Fund's receipt of notification of death or incapacity of the Unit holder.

Exit Load, if any, prevailing on the date of enrolment shall be levied in the Transferee Scheme.

The AMC / Trustee reserves the right to change / modify load structure and other terms and conditions under the STP prospectively at a future date.

Please refer to the STP Enrolment Form for further details and terms and conditions before enrolment.

HDFC FLEX SYSTEMATIC TRANSFER PLAN

HDFC Flex Systematic Transfer Plan (Flex STP) is a facility wherein unit holder(s) holding units in non-demat form of designated open-ended Scheme(s) of HDFC Mutual Fund can opt to transfer variable amount(s) linked to value of investments under Flex STP on the date of transfer at pre-determined intervals from designated open-ended Scheme(s) of HDFC Mutual Fund (hereinafter referred to as "**Transferor Scheme**") to the **Growth Option** of designated open-ended Scheme(s) of HDFC Mutual Fund (hereinafter referred to as "**Transferee Scheme**"). Flex STP offers transfer facility at daily, weekly, monthly and quarterly intervals. Unitholder is free to choose the frequency of such transfers. The amount to be transferred under Flex STP from Transferor Scheme to Transferee Scheme shall be calculated as follows:

{fixed amount to be transferred per installment or the amount as determined by the following **formula** [(fixed amount to be transferred per installment X number of installments including the current installment) - market value of the investments through Flex STP in the Transferee Scheme on the date of transfer] **whichever is higher**}.

There should be a minimum of 12 installments where installment amount is less than ₹ 1,000 and a minimum of 6 installments where installment amount is equal to or greater than ₹ 1,000 under Flex STP - Daily Interval. There should be a minimum of 6 installments for enrolment under Flex STP - Weekly & Monthly Interval and 2 installments under Flex STP - Quarterly Interval. Also, the minimum unit holder's account balance or a minimum amount of application at the time of Flex STP enrolment in the Transferor Scheme should be ₹ 12,000.

In case the amount to be transferred is not available in the Transferor Scheme in the unit holder's account, the residual amount will be transferred to the Transferee Scheme and Flex STP will be closed.

The total Flex STP amount invested in the Transferee Scheme shall not exceed the total enrollment amount i.e. amount per installment X number of installments.

The amount transferred under the Flex STP from the Transferor Scheme to the Transferee Scheme shall be effected by redeeming units of Transferor Scheme at Applicable NAV, **after payment of Exit Load, if any**, and subscribing to the units of the Transferee Scheme at Applicable NAV in respect of each Flex STP investment.

Exit Load, if any, prevailing on the date of enrolment shall be levied in the Transferee Scheme.

Unitholders who wish to enroll for this facility are required to fill HDFC Flex STP Enrolment Form available with the ISCs, distributors/agents and also displayed on the website www.hdfcfund.com.

The AMC / Trustee reserve the right to change / modify load structure and other terms and conditions under the HDFC Flex STP prospectively at a future date.

Please refer to the HDFC Flex STP Enrolment Form for further details and terms & conditions before enrolment.

HDFC SWING SYSTEMATIC TRANSFER PLAN

HDFC Swing Systematic Transfer Plan (Swing STP) is a facility wherein unit holder(s) holding units in non-demat form can opt to transfer an amount at regular intervals from designated open-ended Scheme(s) of HDFC Mutual Fund ("**Transferor Scheme**") to the **Growth Option** of designated open-ended Scheme(s) of HDFC Mutual Fund ("**Transferee Scheme**") including a feature of Reverse Transfer from Transferee Scheme into the Transferor Scheme, in order to achieve the Target Market Value on each transfer date in the Transferee Scheme. Swing STP offers transfer facility at weekly, monthly and quarterly intervals.

The minimum amount per Swing STP installment shall be as follows:

- Swing STP - Weekly & Monthly Interval: ₹ 1,000 and any amount thereafter.
- Swing STP - Quarterly Interval: ₹ 3,000 and any amount thereafter.

There should be a minimum of 6 installments for enrolment under Weekly and Monthly Swing STP and 2 installments for Quarterly Swing STP. Beginning of quarter could be any month. There is no maximum duration for Swing STP enrollment. However, the Mutual Fund/ AMC will register Swing STP in the folio held by a minor only till the date of the minor attaining majority, even though the instructions may be for a period beyond that date. The Swing STP facility will automatically stand terminated upon the Unit Holder attaining 18 years of age.

Also, the minimum unit holder's account balance or a minimum amount of application at the time of Swing STP enrolment in the Transferor Scheme should be ₹ 12,000.

The provision of 'Minimum Redemption Amount' as specified in the Scheme Information Document(s) of the respective designated Transferor Scheme(s) (Transferee Scheme(s) in case of Reverse Transfer) and 'Minimum Application Amount' specified in the Scheme Information Document(s) of the respective designated Transferee Scheme(s) (Transferor Scheme(s) in case of Reverse Transfer) will not be applicable for Swing STP.

The objective of Swing STP is to achieve the Total Target Market Value in the Transferee Scheme by transferring an amount from the Transferor Scheme at regular intervals in such a way so as to increase the Target Market Value of units in the Transferee Scheme systematically by a fixed amount (i.e. the first installment amount specified by the Unitholder) on the date of each transfer till the tenure of the Swing STP.

The amount to be transferred under Swing STP from Transferor Scheme to Transferee Scheme shall be calculated as follows:

- The first Swing STP installment will be processed for the first installment amount specified by the Unitholder at the time of enrollment.
- From the second Swing STP installment onwards, the transfer amount may be higher/lower than the first installment amount, as derived by the formula stated below:

(First installment amount X Number of installments including the current installment) - Market Value of the investments through Swing STP in the Transferee Scheme on the date of transfer.

In case the amounts (as specified above) to be transferred are not available in the Transferor Scheme in the unit holder's account, the residual amount will be transferred to the Transferee Scheme and Swing STP will be closed.

Reverse Transfer: On the date of transfer, if the Market Value of the investments in the Transferee Scheme through Swing STP is higher than the first installment amount X number of installments (including the current installment), then a Reverse Transfer will be effected from the Transferee Scheme to the Transferor Scheme to the extent of the difference in the amount, in order to arrive at the Target Market Value.

The total amount invested through Swing STP over its tenure in the Transferee Scheme, may be higher or lower than the Total Target Market Value of the investment (i.e. the first installment amount X total number of installments specified by the Unitholder). This may be on account of fluctuations in the Market Value of the Transferee Scheme. **If you decide to take up this facility, you should be aware of the possibility, that the total amount invested through Swing STP could be higher or lower than the Total Target Market Value of the investment.**

The redemption/ switch-out of units allotted in the Transferee Scheme shall be processed on First In First Out (FIFO) basis. **In case there is a redemption/ switch-out of any units allotted under Swing STP in the Transferee Scheme by the Unit holder, the balance installments under Swing STP will be processed as a normal STP** for the remaining installments by investing the amount indicated as first installment amount, on the date of each transfer over the balance tenure of the Swing STP, subject to availability of unit balance in the Transferor Scheme.

Swing STP will be automatically terminated if all units are liquidated or withdrawn from the Transferor Scheme or pledged or upon receipt of intimation of death of the unit holder.

Unit holders will have the right to discontinue the Swing STP facility at any time by sending a written request to the ISC. On receipt of such request, the Swing STP facility will be terminated within 15 days.

The amount transferred under the Swing STP from the Transferor Scheme to the Transferee Scheme shall be effected by redeeming units of Transferor Scheme at the Applicable NAV, **after payment of Exit Load, if any**, and subscribing to the units of the Transferee Scheme at Applicable NAV.

Exit Load, if any, prevailing on the date of enrollment shall be levied in the Transferee Scheme and Transferor Scheme (for units purchased through Reverse Transfer).

Unit holders who wish to enroll for this facility are required to fill HDFC Swing STP Enrolment Form available with the ISCs, distributors/agents and also displayed on the website www.hdfcfund.com.

The AMC / Trustee reserve the right to change / modify load structure and other terms and conditions under the HDFC Swing STP prospectively at a future date.

Please refer to the HDFC Swing STP Enrolment Form for further details and terms & conditions before enrolment.

DIVIDEND TRANSFER PLAN FACILITY

Dividend Transfer Plan (DTP) is a facility wherein unit holder(s) of "Source Scheme(s)" of HDFC Mutual Fund can opt to automatically invest the dividend (as reduced by the amount of applicable statutory levy) declared by the eligible Source Scheme(s) into the "Target Scheme(s)" of HDFC Mutual Fund. DTP facility will be available to unit holder(s) holding units in

non-demat form under the Dividend Plan / Option of the Source Scheme(s). However, the DTP facility will not be available to unit holder(s) under the Daily Dividend Option in the Source Scheme(s). Unit holder(s)' enrolment under the DTP facility will automatically override any previous instructions for 'Dividend Payout' or 'Dividend Reinvestment' facility in the Source Scheme. For updated list of eligible Source Scheme(s) and Target Scheme(s) the Unit holder is advised to contact nearest Investor Service Centre (ISC) of HDFC Mutual or the distributor or visit our website www.hdfcfund.com.

The dividend amount to be invested under the DTP from the Source Scheme to the Target Scheme shall automatically be invested by subscribing to the units of the Target Scheme on the immediate next Business Day after the Record Date at the applicable NAV of the Target Scheme.

No Exit Load will be levied on units allotted in the Target Scheme under the Dividend Transfer Plan.

The AMC / Trustee reserves the right to change/ modify the terms and conditions of the DTP on a prospective basis.

Please refer to the DTP Enrolment Form for terms and conditions before enrolment.

SYSTEMATIC WITHDRAWAL ADVANTAGE PLAN (SWAP)

This facility, available to the Unit holders of the Scheme holding units in non-demat form, enables them to withdraw (subject to deduction of tax at source, if any) fixed sum (Fixed Plan) or a variable amount (Variable Plan) from their Unit accounts at periodic intervals (**subject to completion of lock-in period, if any**). Fixed Plan is available for Growth as well as Dividend Option and Variable Plan is available for Growth Option only for eligible Scheme(s)/Plan(s) under SWAP facility. Unitholder(s) who opt for Fixed Plan under systematic withdrawal from each Scheme/ Plan have an option of Monthly, Quarterly, Half-Yearly and Yearly intervals and Unitholder(s) who opt for Variable Plan under systematic withdrawal from each Scheme/Plan have an option of Quarterly, Half-Yearly and Yearly intervals. Any Unit holder can avail of this facility subject to the terms and conditions contained in the SWAP Enrolment Form. The amount withdrawn (subject to deduction of tax at source, if any) under SWAP by Redemption shall be converted into the specific Scheme / Plan Units at the NAV based prices as on 1st, 5th, 10th, 15th, 20th, 25th of month/quarter/ year and such Units will be subtracted from the Unit Balance of the Unit holders. If the net asset value of the Units outstanding on the withdrawal date is insufficient to process the withdrawal request, then the Mutual Fund will redeem the Units outstanding in its entirety. In respect of amount withdrawn under SWAP, the Exit Load, if any, applicable to the Scheme/Plan as on the date of allotment of units shall be levied. **Investors may note that if you decide to take up Fixed Plan under SWAP facility, you should be aware of the possibility that you could erode your capital.**

Investors can enroll themselves for the facility by submitting the duly completed SWAP Enrolment Form at any of the ISCs.

For SWAP registration requests received on/after April 1, 2011, Mutual Fund/AMC will register SWAP in the folio held by a minor only till the date of the minor attaining majority, even though the instructions may be for a period beyond that date. The SWAP facility will automatically stand terminated upon the Unit Holder attaining 18 years of age.

However, for SWAP registered prior to April 1, 2011, the AMC/ Mutual Fund shall continue to process the existing SWAP as registered beyond the date of the minor attaining major status till instruction from the major to terminate the SWAP is received

by the AMC/Mutual Fund along with the prescribed documents for change of account status from minor to major, if not submitted earlier.

For folios where the units are held on behalf of the minor, the account shall be frozen for operation by the guardian on the day the minor attains majority and no transactions shall be permitted till the requisite documents for changing the status of the account from 'minor' to 'major' are submitted.

The AMC / Trustee reserve the right to change / modify the terms and conditions under the SWAP prospectively at a future date.

SWAP facility is available subject to terms & conditions. Please refer to the SWAP Enrolment Form for terms & conditions before enrolment.

HDFC FLEXINDEX PLAN

This facility is available to Unit holders holding units in non-demat form of select debt/ liquid Schemes to automatically transfer the specified percentage of the amount registered in the Source schemes to select equity schemes on the trigger dates occurring during the period of 1 year from the date of registration. Any Unit holder can avail of this facility subject to terms and conditions contained in the HDFC FLEXINDEX PLAN form.

Presently, Unit holders under the Plan are offered twin enrolment options viz. Flexible Installment option and Fixed Installment option. The minimum Unit holder's account balance or a minimum amount of investment in the Source scheme at the time of enrolment under the Plan should be ₹20,000/- and in multiples of ₹1,000/- thereafter. However, the Unit holder has to comply with the provision of Minimum Application Amount in the Source Schemes. The Unit holders of the Source schemes have to set triggers based on the predetermined event. For the purpose of this Plan, Predetermined event means the reaching or crossing of closing Index (i.e. BSE SENSEX) levels as specified by the Unit holder.

Under Flexible Installment option the minimum percentage to be indicated against each Index level trigger is 10% and in multiples of 1% thereafter and under Fixed Installment option the percentage indicated against each Index level trigger is fixed at 25%. The cumulative percentage under each option will be equal to 100.

On the trigger date, the specified percentage of the amount registered will be transferred in the Target Scheme **after payment of Exit Load if any**, by creation of units in the Target Scheme at the closing NAV of the same day i.e. the trigger date.

Exit Load, if any, prevailing on the date of enrolment shall be levied in the Target Scheme.

Once a transaction is processed, the same will not be reversed and it will be final and binding upon the Unit holder. The AMC will require atleast 7 calendar days from the date of submission of valid enrolment forms to register the Unit holder under the Plan.

For all predetermined events the amount registered under the Plan shall be computed based on the value of the unit balance in the Source scheme, prevailing on the respective trigger dates. The transactions will be processed by the Fund only after verifying that the registered amount on each trigger date is equal to or more than the percentage value of the flexible / fixed trigger options (as indicated by the Unit holders). In case the value of the unit balance in the Source scheme on the trigger date is less than the percentage value of the flexible/ fixed trigger options or the balance is nil, then the said trigger will not be processed.

In case the date of redemption request and the trigger date coincide i.e. the date of receipt of redemption request from the

Unit holder in the Source scheme and the date of event trigger date happens to be the same date, then, the redemption transaction will always be processed first. In case in there is an all unit redemption and Unit balance in the Source scheme is reduced to Nil even then the Plan will continue for a period of 1 year from the date of registration.

On completion of 1 year from the date of registration, in case Nil Triggers or few Triggers are activated, then the balance of the amount registered under the Plan will be automatically transferred into the Target scheme in 6 equal monthly installments on 1st of every month (or immediately following business day, if that day is not a business day), provided the balance amount is not less than the minimum amount of transfer per installment under Systematic Transfer Plan (STP) of the respective Target schemes. Load Structure as prevailing under STP will be applicable and the transfers will be subject to STP terms and conditions. In case, the balance amount registered under the Plan falls below the minimum amount of transfer per installment under STP, the same shall continue to remain invested in the Source scheme.

The provision of 'Minimum Redemption Amount' as specified in the Scheme Information Document(s) of the Source schemes will not be applicable for HDFC FLEXINDEX PLAN. Whereas, the provision of 'Minimum Application Amount' specified in the Scheme Information Document(s) of the Target schemes will be applicable for HDFC FLEXINDEX PLAN.

Investors who wish to enroll for the Plan are required to fill the HDFC FLEXINDEX PLAN enrolment form available with the ISCs, distributors/agents and also displayed on the website www.hdfcfund.com. The Enrolment Form complete in all respects should be submitted at any of the Investor Service Centres (ISCs) of HDFC Mutual Fund.

Unit holders will have the right to discontinue the Plan at any time by sending a written request to the ISC. Notice of such discontinuance shall be made effective within 7 calendar days from the date of receipt of the said request. Triggers, which may get activated until the effective date of discontinuation shall be processed in accordance with the terms, laid hereinabove.

The Trustee reserves the right to change the terms and conditions of the Plan at a later date on a prospective basis.

Please refer to the HDFC Flexindex Plan Enrolment Form for terms and conditions before enrolment.

AUTOMATIC TRIGGER FACILITY

Under this facility, a Unit holder holding units in non-demat form may opt for withdrawal and / or switch based on the Unit balance attaining a minimum capital appreciation / gains, events, dates etc (subject to deduction of tax at source, if any). The Units will be redeemed as and when the balance reaches a desired value or after certain period of time etc. In case of triggers linked with events / dates, on realisation of gains, a specified amount / full amount / gains / appreciation etc. would be redeemed and paid either on the investment attaining a particular value or after a particular period of time. Unit holders can enroll themselves for the facility by filling in the appropriate box in the Application Form or by subsequently making a written request to the ISC.

Please read the instructions on the Application Form for further details.

SWITCHING OPTIONS

Unit holders under the Scheme(s) holding units in non-demat form have the option to Switch part or all of their Unit holdings in the Scheme(s) to another scheme(s) established by the Mutual Fund, or within the Scheme(s) from one plan / option to another plan / option **(subject to completion of lock-in period, if any)** which is available for investment at that time. This Option will be useful to Unit holders who wish to alter the allocation of their investment among the scheme(s) / plan(s) / option(s) of the Mutual Fund in order to meet their changed investment needs.

The Switch will be effected by way of a Redemption of Units from the Scheme / Plan and a reinvestment of the Redemption proceeds in the other scheme / plan and accordingly, to be effective, the Switch must comply with the Redemption rules of the Scheme and the issue rules of the other scheme (e.g. as to the minimum number of Units that may be redeemed or issued, Exit etc). The price at which the Units will be Switched out of the Scheme(s) will be based on the Redemption Price, and the proceeds will be invested in the other scheme / plan at the prevailing sale price for units in that scheme / plan. **No load shall be imposed for switching between the Plans / Options within the Scheme (except HDFC Index Fund).**

The Switch request can be made on a pre-printed form or Transaction Slip which should be submitted at / may be sent by mail to any of the ISCs. The AMC retains the right to charge different Loads on Switching of Units as compared to Sale / Redemption of Units as the case may be.

The AMC reserves the right to impose Loads for Switching between plans within the Scheme or Options within the respective Plans at a future date.

TRANSACTIONS THROUGH "CHANNEL DISTRIBUTORS"

Investors may enter into an agreement with certain distributors (with whom AMC also has a tie up) referred to as "Channel Distributors" who provide the facility to investors to transact in units of mutual funds through various modes such as their website / other electronic means or through Power of Attorney in favour of the Channel Distributor, as the case may be.

Under such arrangement, the Channel Distributors will aggregate the details of transactions (viz. subscriptions/redemptions/switches) of their various investors and forward the same electronically to the AMC / RTA for processing on daily basis as per the cut-off timings applicable to the relevant schemes.

The Channel Distributor is required to send copy of investors' KYC and agreement entered into between the investor & distributor to the RTA (one time for central record keeping) as also the transaction documents / proof of transaction authorization as the case may be, to the AMC / RTA as per agreed timelines. In case KYC and other necessary documents are not furnished within the stipulated timeline, the transaction request, shall be liable to be rejected.

Normally, the subscription proceeds, when invested through this mode, are by way of direct credits to the specified bank account of the Fund. The Redemption proceeds (subject to deduction of tax at source, if any) and dividend payouts, if any, are paid by the AMC to the investor directly through direct credit in the specified bank account of the investor or through issuance of payment instrument, as applicable.

It may be noted that investors investing through this mode may also approach the AMC / ISC directly with their transaction requests (financial / non-financial) or avail of the online transaction facilities offered by the AMC.

The Mutual Fund, the AMC, the Trustee, along with their directors, employees and representatives shall not be liable for any errors, damages or losses arising out of or in connection with the transactions undertaken by investors / distributors through above mode.

ELECTRONIC SERVICES

The **eServices** facility includes **HDFCMFOnline**, **HDFCMFInvestOnline**, **HDFCMFMobile**, **eDocs**, **eAlerts** and **ePayouts**.

HDFCMFOnline

This facility enables investors to transact online on www.hdfcfund.com using **HDFCMFOnline**. On **HDFCMFOnline**, Unitholders can execute transactions online for purchase*, redemption, switch and also register for Systematic Investment Plan (SIP) / Systematic Transfer Plan of units of schemes of the Fund and other services as may be introduced by HDFC Mutual Fund from time to time. Unitholders can also view account

details and portfolio valuation online, download account statements and request for documents via email, besides other options.

*facility available with select banks and subject to submission of Permanent Account Number (PAN) and Know Your Customer (KYC) compliance proof.

HDFCMFInvestOnline

This facility enables existing Unitholders not having a HDFC Personal Identification Number (HPIN) to transact online on the Fund's website www.hdfcfund.com using **HDFCMFInvestOnline**. Unitholders can execute purchase transactions or register for Systematic Investment Plan and avail such other services as may be introduced by the Fund from time to time.

Unitholders must possess a Folio Number (KYC validated), valid PAN, Bank Account Number registered in the folio and Net banking facility with any of the select banks to avail the **HDFCMFInvestOnline** facility.

HDFCMFMobile

This facility enables investors to transact on their mobile handsets. On **HDFCMFMobile**, Unitholders can execute transactions on their mobile phone for purchase*, redemption or switching of units of schemes of HDFC Mutual Fund and other services as may be introduced by HDFC Mutual Fund from time to time. Unitholders can also view account details and portfolio valuation on their mobile phone, request for account statements, besides other options.

* Payment arrangement for purchase of units is available at present with HDFC Bank only. Please visit our website from time to time for an updated list of banks. You also need to have opted for the mobile-banking facility with your Bank. The transaction limits as specified by your bank shall be applicable.

eDocs

If the investor has provided an email address, the same will be registered in our records for **eDocs**. Thus, Allotment confirmations, Consolidated Account Statement/Account Statement, annual report/abridged summary and any statutory/other information as permitted would be sent by email. These documents shall be sent physically in case the Unit holder opts/request for the same.

Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. It is deemed that the Unit holder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties.

The AMC / Fund reserve the right to send any communication in physical mode.

eAlert

This facility enables the Unit holder to receive SMS confirmation for purchase, redeem or switch, dividend declaration details and other alerts.

Apart from above mentioned facilities, the facility of **ePayouts** comprising of mode of payment of Redemption / Dividend Proceeds if any, via Direct Credit / NEFT / ECS is covered under **eServices** facility for further details, please refer **eServices** booklet available to all Investor Service Centres (ISCs) as well as on our website on www.hdfcfund.com.

SUBSCRIPTION OF UNITS THROUGH ELECTRONIC MODE

Subject to the investor fulfilling certain terms and conditions (as applicable) as stipulated by AMC from time to time, the AMC, Mutual Fund, Registrar or any other agent or representative of the AMC, Mutual Fund, the Registrar ("Recipient") may accept transactions through any electronic mode ("fax / web / electronic transactions").

	<p>The acceptance of the fax / web /electronic transactions will be solely at the risk of the transmitter of the fax / web / electronic transactions and the Recipient shall not in any way be liable or responsible for any loss, damage caused to the transmitter directly or indirectly, as a result of the transmitter sending or purporting to send such transactions including where a fax / web /electronic transactions sent / purported to be sent is not processed on account of the fact that it was not received by the Recipient.</p> <p>The transmitter acknowledges that fax/web/electronic transactions is not a secure means of giving instructions / transactions requests and that the transmitter is aware of the risks involved including those arising out of such transmission being inaccurate, imperfect, ineffective, illegible, having a lack of quality or clarity, garbled, altered, distorted, not timely etc.</p> <p>The transmitter's request to the Recipient to act on any fax / web / electronic transmission is for the transmitter's convenience and the Recipient is not obliged or bound to act on the same.</p> <p>The transmitter authorizes the Recipient to accept and act on any fax / web / electronic transmission which the Recipient believes in good faith to be given by the transmitter and the Recipient shall be entitled to treat any such fax / web / electronic transaction as if the same was given to the Recipient under the transmitter's original signature.</p> <p>In case there is any difference between the particulars mentioned in the fax/ web/ electronic transmission received as against the original document which may be received thereafter, the Recipient shall not be liable for any consequences arising therefrom.</p> <p>The transmitter agrees that security procedures adopted by the Recipient may include signature verification, telephone call backs or a combination of the same, which may be recorded by tape recording device and the transmitter consents to such recording and agrees to co-operate with the Recipient to enable confirmation of such fax/web/ electronic transaction requests.</p> <p>The transmitter accepts that the fax / web / electronic transactions shall not be considered until time stamped (as applicable) as a valid transaction request in the Scheme(s) in line with SEBI (MF) Regulations.</p> <p>In consideration of the Recipient from time to time accepting and at its sole discretion (including but not limited to the AMC extending / discontinuing such facilities from time to time) acting on any fax / web / electronic transaction request received / purporting to be received from the transmitter, the transmitter agrees to indemnify and keep indemnified the AMC, Directors, employees, agents, representatives of the AMC, Mutual Fund and Trustees from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on fax / web / electronic transaction requests including relying upon such fax / electronic transaction requests purporting to come from the Transmitter even though it may not come from the Transmitter.</p> <p>The AMC reserves the right to modify the terms and conditions or to discontinue the facility at any point of time. On availing this facility, transmitter will unequivocally be bound by what is stated above.</p>
Account Statements	<p>APPLICABLE TO INVESTORS WHO OPT TO HOLD UNITS IN NON-DEMAT FORM</p> <ul style="list-style-type: none"> The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 Business Days of receipt of valid application/transaction to the Unit holders registered e-mail address and/or mobile number.

	<ul style="list-style-type: none"> • A consolidated account statement for each calendar month to the Unit holder(s) in whose folio(s) transaction(s) has/ have taken place during the month on or before 10th of the succeeding month shall be sent by mail or e-mail. • In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/ account statement. • The transactions viz. purchase, redemption, switch, dividend payout, etc., carried out by the Unit holders shall be reflected in the CAS on the basis of Permanent Account Number (PAN). • The CAS shall not be received by the Unit holders for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN. • For folios not included in the CAS (due to non-availability of PAN), the AMC shall issue monthly account statement to such Unit holder(s), for any financial transaction undertaken during the month on or before 10th of succeeding month by mail or email. • The Unit holder may request for a physical account statement by writing to/calling the AMC/ISC/RTA. The Mutual Fund/ AMC shall despatch an account statement within 5 Business Days from the date of the receipt of request from the Unit holder. <p>Half Yearly Consolidated Account Statement:</p> <ul style="list-style-type: none"> • A consolidated account statement detailing holding across all schemes at the end of every six months (i.e. September/ March), on or before 10th day of succeeding month, to all such Unitholders holding units in non- demat form in whose folios no transaction has taken place during that period shall be sent by mail/email. • The half yearly consolidated account statement will be sent by e-mail to the Unit holders whose e-mail address is registered with the Fund, unless a specific request is made to receive in physical. <p>APPLICABLE TO INVESTORS WHO OPT TO HOLD UNITS IN DEMAT FORM</p> <p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 Business Days of receipt of valid application/transaction to the Unit holders registered e-mail address and/or mobile number.</p> <p>The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically.</p> <p>COMMUNICATION BY EMAIL</p> <p>For those Unit holders who have provided an e-mail address, the AMC will send the communication by email. Unit holders will be required to download and print the documents after receiving e-mail from the Mutual Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. It is deemed that the Unit holder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties.</p>
<p>Dividend</p>	<ul style="list-style-type: none"> • The dividend warrants shall be despatched to the Unit holders within 30 days of the date of declaration of dividend. In the event of failure of despatch of dividend within the stipulated 30 day period, the AMC shall be liable to pay interest @ 15% per annum to the Unit holders. • In case of Unit holders having a bank account with certain banks with whom the Mutual Fund would have an arrangement from time to time, the dividend proceeds shall be directly credited to their account.

	<ul style="list-style-type: none"> ● The dividend will be paid by warrant and payments will be made in favour of the Unit holder (registered holder of the Units or, if there is more than one registered holder, only to the first registered holder) with bank account number furnished to the Mutual Fund (please note that it is mandatory for the Unit holders to provide the Bank account details as per the directives of SEBI). ● Further, the dividend proceeds may be paid by way of ECS / EFT / NEFT / RTGS / any other manner through which the investor's bank account specified in the Registrar & Transfer Agent's records is credited with the dividend proceeds as per the instructions of the Unit holders.
Redemption	<p>Payment of Redemption Proceeds</p> <p>(a) For Unit holders having a bank account with HDFC Bank Limited or such other banks with whom the AMC would have an arrangement from time to time:</p> <p>In case of Unit holders having a bank account with certain banks with whom the Mutual Fund would have an arrangement from time to time, the redemption proceeds shall be directly credited to their account. As per SEBI (MF) Regulations, the Mutual Fund shall despatch Redemption proceeds within 10 Business Days of the date of Redemption. However, under normal circumstances, the Mutual Fund would endeavor to credit the first / sole Unit holder's account with the Redemption proceeds within 3-4 Business Days from the date of Redemption.</p> <p>(b) For other Unit holders not covered by (a) above and Unit holders covered by (a) but have given specific request for Cheque/Demand Draft :</p> <p>Redemption proceeds will be paid by cheque and payments will be made in favour of the Unit holder (registered holder of the Units or, if there is more than one registered holder, only to the first registered holder) with bank account number furnished to the Mutual Fund (please note that it is mandatory for the Unit holders to provide the Bank account details as per the directives of SEBI). Redemption cheques will be sent to the Unit holders address (or, if there is more than one holder on record, the address of the first-named Unit holder). All Redemption payments will be made in favour of the registered holder of the Units or, if there is more than one registered holder, only to the first registered holder.</p> <p>As per SEBI (MF) Regulations, the Mutual Fund shall despatch Redemption proceeds within 10 Business Days of the Redemption date. A penal interest of 15% or such other rate as may be prescribed by SEBI from time to time, will be paid in case the Redemption proceeds are not made within 10 Business Days of the Redemption Date.</p> <p>However, under normal circumstances, the Mutual Fund would endeavor to despatch the Redemption proceeds cheque within 3-4 Business Days from the date of redemption.</p> <p>On an ongoing basis, when existing and new investors make subscriptions, a lien on Units allotted will be created, and such Units shall not be available for redemption until the payment proceeds are realised by the Scheme. In case a Unit holder redeems Units soon after making purchases, the redemption cheque will not be despatched until sufficient time has elapsed to provide reasonable assurance that cheque(s) or draft(s) for Units purchased have been cleared.</p> <p>In case the cheque / draft is dishonoured by the bank, the transaction shall be reversed and the Units allotted earlier shall be cancelled, and a fresh Account Statement shall be despatched to the Unit holder.</p> <p>Further, the redemption proceeds may be paid by way of ECS/ EFT / NEFT / RTGS / any other manner through which the investor's bank account specified in the Registrar & Transfer Agent's records is credited with the redemption proceeds as per the instructions of the Unit holders.</p> <p>For units held in demat form</p> <p>Unit holders should submit their valid redemption request to their Depository Participant (DP). The redemption proceeds will</p>

be credited to the bank account of the Unitholder, as per the bank account details recorded with the DP.

REDEMPTION BY NRIs / FIIs

Credit balances in the account of an NRI / FII Unit holder, may be redeemed by such Unit holder in accordance with the procedure described in SID and subject to any procedures laid down by the RBI, if any.

Payment to NRI / FII Unit holders will be subject to the relevant laws / guidelines of the RBI as are applicable from time to time (also subject to deduction of tax at source as applicable).

In the case of NRIs

Payment of redemption proceeds shall be :

- (i) Credited to the NRI investor's NRO account, where the payment for the purchase of the Units redeemed was made out of funds held in NRO account or
- (ii) Remitted abroad or at the NRI investor's option, credited to his NRE / FCNR / NRO account, where the Units were purchased on repatriation basis and the payment for the purchase of Units redeemed was made by inward remittance through normal banking channels or out of funds held in NRE / FCNR account.

In the case of FIIs

The Fund will credit the net amount of redemption proceeds of such Units to the foreign currency account or Non-Resident Rupee Account of the FII investor.

BANK DETAILS

In order to protect the interest of Unit holders from fraudulent encashment of redemption / dividend cheques, SEBI has made it mandatory for investors to provide their bank details viz. name of bank, branch, address, account type and number, etc. to the Mutual Fund. Payment will be made only in the Bank Account registered with the Mutual Fund. Applications without complete bank details shall be rejected. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques / warrants and / or any delay / loss in transit.

In case Unit holder has not provided the bank details at the time of making investment (pertains to the period when bank details were not mandatory), redemption requests should be submitted along with the following documents:

1. Any one of the following documents:
 - 1.1. Cancelled original cheque leaf (where first Unit holder name and bank account number printed on the face of the cheque). Unit holders should without fail cancel the cheque and write 'Cancelled' on the face of it to prevent any possible misuse;
 - 1.2. Self attested copy of the bank pass book or a statement of bank account with current entries not older than 3 months having the name and address of the first unit holder and account number;
 - 1.3. Letter from the bank on its letterhead certifying that the Unit holder maintains/ maintained an account with the bank, the bank account information like bank account number, bank branch, account type, the MICR code of the branch & IFSC Code (where available) and specimen signature of the Unit holder.
and
2. Self attested copy of any one of the documents admissible as Proof of Identity (PoI) as may be prescribed by SEBI from time to time.

Note: The above documents shall be submitted in Original. If copies are furnished, the same must be submitted at the Investor Service Centres of AMC (ISCs) where they will be verified with the original documents to the satisfaction of the Fund. The originals documents will be returned across the counter to the Unit holder after due verification. In case the original of any document is not produced for verification, then the copies should be attested by the bank manager with his / her full signature, name, employee code, bank seal and contact number.

In case of folios held on behalf of minors, when a minor attains the age of majority, the documents pertaining to the major investor's bank details registration must be submitted to the Fund.

● **Multiple Bank Accounts Registration**

The AMC/ Mutual Fund provides a facility to the investors to register multiple bank accounts (currently upto 5 for Individuals and 10 for Non - Individuals) for receiving redemption/ dividend proceeds etc. by providing necessary documents. Investors must specify any one account as the "Default Bank Account". The investor, may however, specify any other registered bank account for credit of redemption proceeds at the time of requesting for redemption.

Investors holding units in non-demat form are requested to avail the facility of registering multiple bank accounts by filling in the 'Multiple Bank Accounts Registration Form' available at our Investor Service Centres (ISCs) or on our website www.hdfcfund.com.

● **Change in Bank Account**

For investors holding units in demat mode, the procedure for change in bank details would be as determined by the depository participant.

For investors holding units in non-demat mode, the Unit holders may change their bank details registered with the Mutual Fund by submitting 'Multiple Bank Account Registration Form' or a standalone separate Change of Bank Details Form.

In case a 'Change of Bank Details Form' is submitted, the following procedure needs to be adhered to:

1. Unit holders will be required to submit the duly filled in Change of Bank Details Form along with a cancelled original cheque leaf of the new bank account as well as the bank account currently registered with the Mutual Fund (where the account number and first unit holder name is printed on the face of the cheque). Unit holders should without fail cancel the cheque and write 'Cancelled' on the face of it to prevent any possible misuse.
2. Where such name is not printed on the original cheque, the Unit holder may submit a letter from the bank on its letterhead certifying that the Unit holder maintains/ maintained an account with the bank, the bank account information like bank account number, bank branch, account type, the MICR code of the branch & IFSC Code (where available).
3. In case of non-availability of any of these documents, a self attested copy of the bank pass book or a statement of bank account with current entries not older than 3 months having the name and address of the first unit holder and account number.

Note: The above documents shall be submitted in Original. If copies are furnished, the same must be submitted at the ISCs where they will be verified with the original documents to the satisfaction of the Fund. The originals documents will be returned across the counter to the Unit holder after due verification. In case the original of any document is not produced for verification, then the copies should be attested by the bank manager with his / her full signature, name, employee code, bank seal and contact number.

In the event of a request for change in bank account information being invalid / incomplete / not satisfactory in respect of signature mismatch/document insufficiency/ not meeting any requirements more specifically as indicated in clauses 1-3 above, the request for such change will not be processed. Redemptions / dividend payments, if any, will be processed and the last registered bank account information will be used for such payments to Unit holders.

Unit holders may note that it is desirable to submit their requests for change in bank details atleast 7 days prior to date of redemption / dividend payment, if any and ensure that the request for change in bank details has been processed before submitting the redemption request. If change in bank details has not been processed, payment will be made in the existing

bank account registered in the folio. Further, in the event of a request for redemption of units being received within seven days of change in bank account details, the normal processing time as specified in the Scheme Information Document, may not necessarily apply, however it shall be within the regulatory limits. Any unregistered bank account or a new bank account mentioned by the Unit holder along with the redemption request may not be considered for payment of redemption /dividend proceeds.

Change of Address

- 1) For investors holding units in demat mode, the procedure for change in address would be as determined by the depository participant.
- 2) For investors holding units in non-demat mode, the procedure as detailed below shall be applicable. Unit holder will be required to submit a valid request for change in address details along with the following supporting documents:

► KYC Not Complied Folios/Clients:

- Self attested copy of Proof of New Address; and
- Self attested copy of PAN card copy, if PAN is updated in the folio or PAN/other proof of identity as may be prescribed by SEBI from time to time, if PAN is not updated in the folio.

► KYC Complied Folios/Clients:

- Self attested copy of Proof of New Address; and
- Any other document/form that the KYC Registration Agency (KRA) may specify from time to time.

The above documents will be forwarded to KRA for updation in their record.

Note: The above documents shall be submitted in Original. If copies are furnished, the same must be submitted at the ISCs where they will be verified with the original documents to the satisfaction of the Fund. The originals documents will be returned across the counter to the Unit holder after due verification. In case the original of any document is not produced for verification, then the copies should be properly attested / verified by entities authorized for attesting/verification of the documents as per extant KYC guidelines.

Unit holders are advised to provide their contact details like telephone numbers, mobile numbers and email IDs to HDFC Mutual Fund in writing.

The AMC / Trustee reserves the right to amend the aforesaid requirements.

Payment to Alternate Payee

The Mutual Fund may subject to compliance with such requirement as it deems fit and necessary may stipulate, arrange to issue redemption and / or any distribution cheques in favour of an alternate payee on Unitholder(s) specific request either at the time of investment and /or at the time of redemption or any distribution. Reasonable procedures will need to be followed to assure that instructions from Unitholders regarding payment to Alternate Payee are genuine. The Unitholder(s) would be liable for the loss resulting from a fraudulent encashment / payment to Alternate Payee, based on the Unitholders instructions, that the Mutual Fund reasonably believed as genuine. The Mutual Fund, reserves the right to require an indemnity or verification countersigned by a Bank Manager, Notary Public, Magistrate or any other party acceptable to it

	before accepting such instructions. All payments and settlements made to such Alternate Payee(s) and a receipt thereof shall be a valid discharge by the Mutual Fund and the Mutual Fund shall not in any manner liable to the Unitholder. It may be noted that there is no commitment from the Mutual Fund that this facility will be available to the Unitholders.
Delay in payment of redemption / repurchase proceeds	The AMC shall be liable to pay interest to the Unit holders at 15% or such other rate as may be prescribed by SEBI from time to time, in case the redemption / repurchase proceeds are not made within 10 Business Days of the date of Redemption / repurchase. However, the AMC will not be liable to pay any interest or compensation or any amount otherwise, in case the AMC / Trustee is required to obtain from the investor / unitholders verification of identity or such other details relating to subscription for Units under any applicable law or as may be requested by a regulatory body or any government authority, which may result in delay in processing the application.

C. PERIODIC DISCLOSURES

Net Asset Value This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.	<p>The AMC will calculate and disclose the NAV of the Scheme(s) at the close of every Business Day. Information regarding NAV can be obtained by the Unit holders / Investors by calling or visiting the nearest ISC.</p> <p>The NAVs of the Scheme shall be published atleast in two daily newspapers on a daily basis in accordance with SEBI (MF) Regulations, NAVs will also be displayed on the Website of the Mutual Fund on www.hdfcfund.com.</p> <p>AMC shall update the NAVs on the website of Association of Mutual Funds in India - AMFI (www.amfiindia.com) by 9.00 p.m. every Business day. In case of any delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before commencement of business hours on the following day due to any reason, Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs.</p> <p>The Sale and Redemption price of Units shall be published in two daily newspapers on a daily basis in accordance with SEBI (MF) Regulations.</p>
Half yearly Disclosures: Portfolio / Financial Results This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.	<p>Before expiry of one month from the close of each half year that is on March 31 and September 30, the Mutual Fund will publish its half-yearly unaudited financial results in one national English daily newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated as per the format prescribed by SEBI. These results shall also be displayed on the website of the Mutual Fund and AMFI.</p> <p>The Mutual Fund shall before the expiry of one month from the close of each half year i.e. March 31 and September 30, send to all Unit holders a complete statement of its Scheme portfolio. Provided that the statement of Scheme portfolio may not be sent to the Unit holders if the statement is published, by way of an advertisement, in one English daily Newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated. The disclosure of Portfolio shall be made in the format prescribed by SEBI. The statement of portfolio shall also be displayed on the website of the Mutual Fund.</p>
Half Yearly Results	The Mutual Fund and Asset Management Company shall before the expiry of one month from the close of each half year that is on 31st March and on 30th September, publish its unaudited financial results in one national English daily newspaper and in a regional newspaper published in the language of the region where the Head Office of the mutual fund is situated.

Annual Report	<p>The Scheme wise annual report or an abridged summary thereof shall be sent:</p> <p>(i) by e-mail to the Unit holders whose e-mail address is available with the Fund,</p> <p>(ii) in physical form to the Unit holders whose email address is not registered with the Fund and/or those Unit holders who have opted / requested for the same.</p> <p>The scheme wise annual report or an abridged summary thereof shall be sent by mail/e-mail not later than four months from the date of closure of the relevant accounting year (i.e. 31st March each year).</p> <p>The physical copy of the scheme wise annual report or abridged summary thereof shall be made available to the investors at the registered office of the AMC.</p> <p>A link of the scheme annual report or abridged summary thereof shall be displayed prominently on the website of the Fund and shall also be displayed on the website of Association of Mutual Funds in India (AMFI).</p>		
Associate Transactions	Please refer to 'Statement of Additional Information ('SAI')'.		
Taxation			
		Resident Investors ^^	Mutual Fund ^^
	Equity Oriented Funds		
	Tax on Dividend:	Nil	Nil
	Capital Gains:		
	Long Term	Nil	Nil
	Short Term	15% (plus applicable surcharge and education cess)	Nil
	1. HDFC Mutual Fund is a Mutual Fund registered with the Securities & Exchange Board of India and hence the entire income of the Mutual Fund will be exempt from income tax in accordance with the provisions of Section 10(23D) of the Income-tax Act, 1961 (the Act).		
	2. Equity Oriented Funds will also attract Securities Transaction Tax (STT) at applicable rates.		
	3. As per Section 80C of the Income-tax Act, 1961 and subject to the provisions, an Individual / Hindu Undivided Family (HUF) is entitled to a deduction from Gross Total Income upto ₹ 1.00 lac (along with other prescribed investments) for amounts invested in units of HDFC Long Term Advantage Fund and HDFC TaxSaver .		
^^ For further details on taxation please refer to the Section on 'Taxation on investing in Mutual Funds' in 'Statement of Additional Information ('SAI')'.			
Investor services	<p>Investors may contact any of the Investor Service Centres (ISCs) of the AMC for any queries / clarifications at telephone number 60006767 or 1800 233 6767 (toll free), Fax number. (022) 22821144, e-mail: cliser@hdfcfund.com. Investors can also post their grievances/feedback/suggestions on our website www.hdfcfund.com under the section "Feedback or queries" appearing under 'Contact Us'. The Head Office of the AMC will follow up with the respective ISCs to ensure timely redressal and prompt investor services. Mr. John Mathews, Head - Client Services can be contacted at Mistry Bhavan, 2nd Floor, 122, Dinshaw Vachha Road, Churchgate, Mumbai - 400 020 at telephone number (Direct) (022) 66316301 or telephone number (Board) (022) 66316333. His e-mail contact is: jmathews@hdfcfund.com</p>		

D. COMPUTATION OF NAV

The Net Asset Value (NAV) per Unit of the Scheme(s) will be computed by dividing the net assets of the Scheme(s) by the number of Units outstanding under the Scheme on the valuation date. The Mutual Fund will value its investments according to the valuation norms, as specified in Schedule VIII of the SEBI (MF) Regulations, or such norms as may be specified by SEBI from time to time.

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

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

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

Separate NAVs will be calculated and announced for each Plans / Options.

The NAV of the Scheme(s) will be calculated upto 3 decimals (4 decimals in case of HDFC Index Fund). Units will be allotted upto 3 decimals.

There are no specific SEBI guidelines on valuation of foreign securities at present. In the absence of any guidelines, the following policy will be followed:

The security issued outside India and listed on the stock exchanges outside India shall be valued at the closing price on the stock exchange at which it is listed. However in case a security is listed on more than one stock exchange, the AMC reserves the right to determine the stock exchange, the price of which would be used for the purpose of valuation of that security. Any subsequent change in the reference stock exchange used for valuation will be backed by reasons for such change being recorded in writing by the AMC. Further in case of extreme volatility in the

overseas markets, the securities listed in those markets may be valued on a fair value basis.

If a significant event has occurred after security prices were established for the computation of NAV of the Scheme, the AMC reserves the right to value the said securities on fair value basis.

When on a particular valuation day, a security has not been traded on the selected stock exchange; the security will be valued in accordance with SEBI guidelines applicable for security listed in India.

In case of investment in foreign debt securities, on the Valuation Day, the securities shall be valued in line with the valuation norms specified by SEBI for Indian debt securities. However, in case valuation for a specific debt security is not covered by SEBI (MF) Regulations, then the security will be valued on fair value basis.

Due to difference in time zones of different markets, closing price of overseas securities/ units of overseas mutual fund may be available only after the prescribed time limit for declaration of NAV in India. In such cases, the NAV of the Scheme for any Business Day (T day) will be available on the next Business Day (T+1 day) and the same shall be posted, on each Business Day, on the Fund's website and on the AMFI website - www.amfiindia.com on date of computation of NAV.

On the Valuation Day, all assets and liabilities denominated in foreign currency will be valued in Indian Rupees at the exchange rate available on Bloomberg / Reuters / RBI at the close of banking hours in India. The Trustees reserve the right to change the source for determining the exchange rate.

The exchange gain / loss resulting from the aforesaid conversion shall be recognized as unrealized exchange gain / loss in the books of the Scheme on the day of valuation.

Further, the exchange gain / loss resulting from the settlement of assets / liabilities denominated in foreign currency shall be recognized as realized exchange gain / loss in the books of the scheme on the settlement of such assets / liabilities.

IV. FEES AND EXPENSES

This section outlines the expenses that will be charged to the Scheme(s). The information provided under this Section seeks to assist the investor in understanding the expense structure of the Scheme(s) and types of different fees / expenses and their percentage the investor is likely to incur on purchasing and selling the Units of the Scheme(s).

A. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the Scheme(s). These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:

The AMC has estimated that upto 2.5% (2.25% in case of HDFC Balanced Fund and 1.5% in case of HDFC Index Fund) of the daily net assets of the Scheme(s) will be charged to the Scheme(s) as expenses. Please refer to the table below for details. For the actual current expenses being charged, the investor should refer to the website of the Mutual Fund viz. www.hdfcfund.com.

Expense Head	HGF	HEF	HT200	HCBF	HC&SF	HPMCF*	HMCOF#	HLTEF@	HINF#	HAF	HDFC Index Fund			HLTAF	HTS	HBF	HPF
											SENSEX Plan	Nifty Plan	SENSEX Plus Plan				
Investment Management and Advisory Fees	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	0.75	0.75	0.75	1.25	1.25	1.25	1.25
Trustee Fees	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Custodial Fees	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.10	0.01	0.02	0.01	0.01	0.01	0.01	0.01
Audit Fees	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Registrar & Transfer Agent Fees including cost related to providing accounts statement, dividend/ redemption cheques/ warrants etc.	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Marketing and selling Expenses including Agents Commission and statutory Advertisement and Brokerage & Transaction Cost pertaining to the distribution of units	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.60	0.25	0.25	0.25	0.75	0.75	0.50	0.75
Cost Related to investor communications and Cost of fund transfer from location to location	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Other expenses	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.14	0.08	0.07	0.08	0.08	0.08	0.08	0.08
Total estimated recurring expenses	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	1.50	1.50	1.50	2.50	2.50	2.25	2.50

* New Fund Offer Expenses (NFO) subject to a maximum of 2% of the amount collected (net of Entry Load) by the Scheme was amortised over a period not exceeding five years from the date of allotment. The amortisation has been completed as the Scheme has completed five years from the date of allotment.

NFO Expenses (Initial Issue Expenses) subject to a maximum of 6% of the amount collected were amortized over the close ended period of the Scheme i.e. 3 years from the date of allotment. The amortisation has been completed as the Scheme(s) have completed their close-ended period.

@ NFO Expenses (Initial Issue Expenses) subject to a maximum of 6% of the amount collected were amortized over the close ended period of the Scheme i.e. 5 years from the date of allotment. The amortisation has been completed as the Scheme has completed its close-ended period.

The purpose of the above table is to assist the Investor in understanding the various costs and expenses that an Investor in the Scheme(s) will bear directly or indirectly.

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se. The expenses under any head may be more or less than as specified in the table above, but the total recurring expenses that can be charged to the Scheme will be subject to limits prescribed from time to time under the SEBI (MF) Regulations.

The AMC may charge the Mutual Fund with investment and advisory fee as prescribed in the SEBI (MF) Regulations from time to time. Presently, the SEBI (MF) Regulations permit fees as follows:

- 1.25% of the weekly average net assets outstanding in each accounting year for the Scheme concerned as long as the net assets do not exceed ₹100 crore, and
- 1% of the excess amount over ₹100 crore, where net assets so calculated exceed ₹100 crore.

Provided that in case of an index fund scheme, the investment and advisory fees shall not exceed 0.75% of the weekly average net assets.

The recurring expenses of the Scheme(s) shall be as per the limits prescribed under the SEBI (MF) Regulations. These are as follows:

On the first ₹ 100 crores of the daily net assets	- 2.50%
On the next ₹ 300 crores of the daily net assets	- 2.25%
On the next ₹ 300 crores of the daily net assets	- 2.00%
On the balance of the assets	- 1.75%

Provided that such recurring expenses shall be lesser by 0.25% of the daily net assets outstanding in each financial year in respect of HDFC Balanced Fund.

Provided further that in case of an index fund scheme, the total expenses of the scheme including the investment and advisory fees shall not exceed 1.50% of the weekly average net assets.

The total expenses of the Scheme(s) including the investment management and advisory fee shall not exceed the limit stated in Regulation 52(6) of the SEBI (MF) Regulations.

Any expenditure in excess of the SEBI regulatory limits, shall be borne by the AMC or by the Trustee or the Sponsor.

The AMC reserves the right to calculate investment management fees or recurring expenses on the basis of daily or weekly average net assets depending on the periodicity of publication of NAV.

The current expense ratios will be updated on the Mutual Fund website viz. www.hdfcfund.com within two working days mentioning the effective date of the change.

B. TRANSACTION CHARGES

SEBI with the intent to enable investment by people with small saving potential and to increase reach of Mutual Fund products in urban areas and in smaller towns, wherein the role of the distributor is vital, has allowed AMCs vide its circular No. Cir/IMD/DF/13/2011 dated August 22, 2011 to deduct transaction charges for subscription of ₹ 10,000/- and above. The said transaction charges will be paid to the distributors of the Mutual Fund products.

In accordance with the said circular, AMC / Mutual Fund will deduct the transaction charges from the subscription amount and pay to the distributors (who have opted to receive the transaction charges) as shown in the table below. Thereafter, the balance of the subscription amount shall be invested.

- (i) Transaction charges shall be deducted for Applications for purchase/ subscription received through distributor/ agent as under:

Investor Type	Transaction Charges
First Time Mutual Fund Investor	Transaction charge of ₹ 150/- for subscription of ₹ 10,000 and above will be deducted from the subscription amount and paid to the distributor/ agent of the first time investor. The balance of the subscription amount shall be invested.
Investor other than First Time Mutual Fund Investor	Transaction charge of ₹ 100/- per subscription of ₹ 10,000 and above will be deducted from the subscription amount and paid to the distributor/ agent of the investor. The balance of the subscription amount shall be invested.

However, transaction charges in case of investments through SIP shall be deducted only if the total commitment (i.e. amount per SIP installment x No. of installments) amounts to ₹ 10,000/- or more. The transaction charges shall be deducted in 3-4 installments.

Identification of investors as "first time" or "existing" will be based on Permanent Account Number (PAN) at the First/ Sole Applicant/ Guardian level. Hence, Unit holders are urged to ensure that their PAN / KYC is updated with the Fund. Unit holders may approach any of the Official Points of Acceptances of the Fund i.e. Investor Service Centres (ISCs) of the Fund/ offices of our Registrar and Transfer Agent, M/s. Computer Age Management Services Pvt. Ltd in this regard.

- (ii) **It may be noted that Transaction Charges shall not be deducted:**

- where the distributor of the investor has not opted to receive any Transaction Charges;
- for purchases / subscriptions/ total commitment amount in case of SIP of an amount less than ₹ 10,000/-;
- for transactions other than purchases / subscriptions relating to new inflows i.e. through Switches/ Systematic Transfers/ Dividend Transfers/ Dividend Reinvestment, etc.;
- for purchases / subscriptions made directly with the Fund (i.e. not through any distributor);
- for purchases / subscriptions routed through Stock Exchange(s) as applicable.

C. LOAD STRUCTURE

Load is an amount, which is paid by the investor to subscribe to the units or to redeem the units from the scheme(s). This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC (www.hdfcfund.com) or call at Toll Free No. 1800 233 6767 or your distributor.

Details of Load Structure

(On Ongoing basis)

(i)	Particulars (as a % of Applicable NAV)	HDFC Growth Fund, HDFC Equity Fund, HDFC Top 200 Fund, HDFC Capital Builder Fund, HDFC Core & Satellite Fund, HDFC Premier Multi-Cap Fund, HDFC Mid-Cap Opportunities Fund, HDFC Long Term Equity Fund, HDFC Infrastructure Fund, HDFC Balanced Fund and HDFC Prudence Fund	HDFC Index Fund, HDFC Long Term Advantage Fund and HDFC TaxSaver	HDFC Arbitrage Fund
	Entry / Sales Load	Not Applicable Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor. Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder.		
	Exit / Redemption Load	<ul style="list-style-type: none"> In respect of each purchase / switch-in of units, an Exit Load of 1.00% is payable if Units are redeemed / switched-out within 1 year from the date of allotment. No Exit Load is payable if Units are redeemed / switched-out after 1 year from the date of allotment. 	Nil	<ul style="list-style-type: none"> In respect of each purchase / switch-in of units, an Exit Load of 0.50% is payable if Units are redeemed / switched-out within 6 months from the date of allotment. No Exit Load is payable if Units are redeemed / switched-out after 6 months from the date of allotment.

- (ii) No Exit Load shall be imposed for switching between Plans / Options within the Scheme (Except HDFC Index Fund).
- (iii) No Exit Load will be levied on units allotted in the Target Scheme under the Dividend Transfer Plan.
- (iv) No Entry / Exit Load will be levied on the dividend reinvested.
- (v) No Entry / Exit Load will be levied on the issue / redemption of bonus units.

Under the Scheme (s), the Trustee / AMC reserves the right to modify / change the Load structure if it so deems fit in the interest of smooth and efficient functioning of the Mutual Fund. The AMC reserves the right to introduce / modify the Load Structure depending upon the circumstances prevailing at that time subject to maximum limits as prescribed under the SEBI (MF) Regulations. The Load may also be changed from time to time and in the case of an Exit / Redemption Load this may be linked to the period of holding. Exit load up to 1% of the redemption value charged to the Unit holder by the Mutual Fund on redemption of units shall be retained by the Scheme in a separate account and will be utilized for payment of commissions to the ARN Holder and to meet other marketing and selling expenses. Any amount in excess of 1% of the redemption value charged to the Unit holder as exit load shall be credited to the Scheme immediately. The investor is requested to check the prevailing load structure of the Scheme before investing.

The Redemption Price however, will not be lower than 93% of the NAV, and the Sale Price will not be higher than 107% of the NAV, provided that the difference between the Redemption price and Sale price at any point in time shall not exceed the permitted limit as prescribed by SEBI from time to time which is presently 7% calculated on the Sale Price.

Any imposition or enhancement of Exit Load in the load shall be applicable on prospective investments only. However, AMC shall not charge any load on issue of bonus units and units allotted on reinvestment of dividend for existing as well as prospective investors. At the time of changing the load structure the AMC / Mutual Fund may adopt the following procedure:

- (i) The addendum detailing the changes will be attached to Scheme Information Document and Key Information Memorandum and displayed on our website www.hdfcfund.com. The addendum will be circulated to all the distributors / brokers so that the same can be attached to all Scheme Information Document and Key Information Memorandum already in stock.
- (ii) Arrangements will be made to display the changes / modifications in the Scheme Information Document in the form of a notice in all the Investor Service Centres and distributors / brokers office.
- (iii) The introduction of the Load along with the details will be stamped in the acknowledgement slip issued to the investors on submission of the application form and will also be disclosed in the Account Statement or in the covering letter issued to the Unit holders after the introduction of such Load.
- (iv) A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.

D. WAIVER OF LOAD FOR DIRECT APPLICATIONS

Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009 no entry load shall be charged for all mutual fund schemes.

Therefore, the procedure for waiver of load for direct applications is no longer applicable.

V. RIGHTS OF UNITHOLDERS

Please refer to 'Statement of Additional Information ('SAI')' for details.

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

1. *Penalties and action(s) taken against foreign Sponsor(s) limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out and where the headquarters of the Sponsor(s) is situated. Also, top 10 monetary penalties of foreign Sponsor(s) during the last three years.*

None

2. *In case of Indian Sponsor(s), details of all monetary penalties imposed and / or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and / or the AMC and / or the Board of Trustees / Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.*

The penalty levied by SEBI on HDFC for delay in intimating the acquisition of shares of Hindustan Oil Exploration Company Limited, in compliance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 had been set aside by the Securities Appellate Tribunal (SAT).

Aggrieved by the order passed by SAT, SEBI filed an appeal before the Hon'ble High Court at Mumbai, pursuant to which the Hon'ble High Court set aside the said order and remanded the matter to SAT for fresh hearing and review.

Aggrieved by the impugned order passed by the Hon'ble High Court, HDFC filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India, pursuant to which the Hon'ble Supreme Court of India was pleased to issue notice to SEBI in the matter. The matter is now pending before the Hon'ble Supreme Court of India. At a hearing held on April 21, 2005 the Hon'ble Supreme Court of India was pleased to admit the said SLP.

3. *Details of all enforcement actions (including the details of violation, if any) taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the*

AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party.

SEBI by its ad interim order no. WTM/KMA/IVD/267/06/ 2010 dated June 17, 2010, under Section 19 read with Sections 11(1), 11(4) and 11B of the SEBI Act, 1992 has prohibited Mr. Nilesh Kapadia, formerly a Dealer (Equities) at HDFC Asset Management Company Limited from buying, selling or dealing in securities, or being associated with any intermediary or entity registered with SEBI, till further orders. SEBI had in its order stated that Mr. Nilesh Kapadia has violated Regulations 3(a) to 3(d) and Regulation 4(1) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003. In the said order, SEBI directed that HDFC Asset Management Company Limited and Mr. Nilesh Kapadia to jointly deposit ₹ 238.40211 lakhs, towards the losses suffered by the investors, with the Trustees i.e. HDFC Trustee Company Limited. HDFC Asset Management Company Limited has deposited ₹ 238.40211 lakhs with the Trustees. HDFC Asset Management Company Limited has further deposited a sum of ₹ 20.21989 lakhs with the Trustees in July 2011 in accordance with SEBI directives.

Consent Applications were filed by HDFC Asset Management Company Limited, HDFC Trustee Company Limited and Mr. Milind Barve, Managing Director of HDFC Asset Management Company Limited in connection with the proceedings arising out of and in relation to the above order passed by SEBI.

Consent Applications sought settlement of the issues arising out of and in connection with the order and proceedings that may be initiated by SEBI including under the SEBI (Mutual Funds) Regulations, 1996, SEBI (Portfolio Managers) Regulations, 1993 Clause IV (Operation Risks) in Operating Manual for Risk Management for Indian Mutual Funds, Annexure to Circular No. MFD / CIR / 15 /19133 /2002 dated September 30, 2002. HDFC Trustee Company Limited, HDFC Asset Management Company Limited and Mr. Milind Barve, remitted a sum of ₹ 20,00,000/- , ₹ 20,00,000/- and ₹ 15,00,000/- respectively without admission or denial of guilt. In connection with the above, SEBI has issued a Consent Order no. CO/ID-6/AO/BM/ 130-132/2011 dated September 30, 2011.

4. *Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party.*

None

5. *Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/ Trustee Company which SEBI has specifically advised to be disclosed in the SID, or notified by any other regulatory agency.*

None

Notes:

1. Any amendments / replacement / re-enactment of SEBI (MF) Regulations subsequent to the date of the Scheme Information Document shall prevail over those specified in this Scheme Information Document.
2. The Scheme(s) under this Combined Scheme Information Document were approved by the Trustee as follows :

Name of Scheme	Date of Approval
HDFC Balanced Fund	June 26, 2000
HDFC Growth Fund	June 26, 2000
HDFC Long Term Advantage Fund	November 17, 2000
HDFC Index Fund	April 24, 2002
HDFC Core & Satellite Fund	April 23, 2004
HDFC Premier Multi-Cap Fund	December 17, 2004
HDFC Long Term Equity Fund	September 26, 2005
HDFC Mid-Cap Opportunities Fund	January 17, 2007
HDFC Arbitrage Fund	March 29, 2007
HDFC Infrastructure Fund	October 18, 2007

The migration of HDFC Equity Fund, HDFC Top 200 Fund, HDFC Capital Builder Fund, HDFC Prudence Fund and HDFC TaxSaver (Scheme(s) of Zurich India Mutual Fund) to HDFC Mutual Fund was approved by the Trustee at their meeting held on June 20, 2003.

3. The consolidated Scheme Information Document is an updated version of the same in line with the current laws / regulations and other developments.
4. **Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.**

For and on behalf of the Board of Directors of
HDFC Asset Management Company Limited

Place : Mumbai
Date : April 30, 2012

MILIND BARVE
Managing Director

HDFC ASSET MANAGEMENT COMPANY LIMITED (HDFC AMC LIMITED) – INVESTOR SERVICE CENTRES / OFFICIAL POINTS OF ACCEPTANCE FOR HDFC MUTUAL FUND

(For ongoing Transactions)

ANDHRA PRADESH : HDFC AMC Ltd., 6-3-883/7, 11nd Floor, Sapphire Square, Somajiguda, **Hyderabad - 500 282**. Tel.: 040 - 23417401 / 02 / 03 / 04 / 05, Fax: 040 -23417407. HDFC AMC Ltd., 18-2-299/B, 1st Floor, Leela Mahal Circle, Tirumala Bypass Road, **Tirupati - 517 507**. Tel: (0877) 2222 871 / 872 / 873 / 874, Fax: (0877) 2222689. HDFC AMC Ltd., 2nd Floor, Centurion Bank Complex, Near Benz Circle, M. G. Road, **Vijayawada-520 010**. Tel. No: (0866)-3988029. HDFC AMC Ltd., First Floor, Saigopal Arcade, Waltair Main Road, Siripuram, **Visakhapatnam - 530 003**. Tel: (0891) 2769636, 6450306 / 9685 / 7584, Fax. No.: (0891) 2738728. HDFC AMC Ltd., 2-5-83/84 1st Floor, Mitralaxmi Narayana Arcade, Nakkala Gutta, Hanmakonda, **Warangal - 506 002**. Tel: (0870) 2566 005 / 006/ 007 / 008/ 009, Fax: (0870) 2566010. **ASSAM** : HDFC AMC Ltd., Premises- 1C, 1st Floor, Ganpati Enclave, G.S.Road, **Guwahati-781 007**. Tel: (0361)-2464759/60. Fax: (0361)-2464758. **BIHAR** : HDFC AMC Ltd., Ishwari Complex, 1st Floor, Dr. Rajendra Prasad Road, **Bhagalpur - 812 002**. Tel: (0641) 2300 390, Fax: (0641) 2300391. HDFC AMC Ltd., C/o Hera Enclave (Adjacent to Sahara Unique Showroom), Mezzanine Floor, New Dak Bunglow Road, **Patna - 800 001**. Tel: 0612 - 2230540/ 3201439, Telefax: 0612 - 2200747. **CHHATTISGARH** : Ground Floor, Chawla Complex, Devendra Nagar, Sai Nagar Road, Near Vanijya Bhawan, Near Indhira Gandhi Square, **Raipur - 492 001**. Tel: (0771) 4020 167 / 168. **DELHI** : HDFC AMC Ltd., Ground Floor - 2 & 3 and First Floor, Prakashdeep Building, 7, Tolstoy Marg, Connaught Place, **New Delhi - 110 001**. Tel: (011) 6632 4000, Fax: (011) 23351317 / 18. **GOA** : HDFC AMC Ltd., Ground Floor, G3 & G4, Jivottam, Minguel Miranda Road, Off. Abade Faria Road, **Margao - 403 601**. Salcete. Tel: (0832) 2737410 / 11. Fax: (0832) 2736477. HDFC AMC Ltd., S1, Second Floor, Above Axis Bank, Edcon Centre, Angod, **Mapusa - 403 507**, Bardez, Goa. Tel: (0832) 2253 460 / 461, Fax: (0832) 2253465. HDFC AMC Ltd., A-3, First Floor, Krishna Building, Opp. Education Department, Behind Susheela Building, G. P. Road, **Panaji - 403 001**. Tel: 0832 - 2425609, 2425610, Fax: 0832 - 2425614. HDFC AMC Ltd., 6, Ground Floor, Pereira Chambers, Padre Jose Vaz Road, **Vasco - 403 802**, Mormugao. Tel: (0832) 2513 402 / 406, Fax: (0832) 2513448. **GUJARAT** : HDFC AMC Ltd., 2nd Floor, Megha House, Besides GRUH House, Mithakhali Six Roads, **Ahmedabad - 380 009**. Tel.: 079 - 40050055 / 66, Fax: 079 - 40050506. HDFC AMC Ltd., Maruti Sharanam, No.117, 1st Floor, Anand-Vidhyanagar Road, Opposite Nandbhumi Party Plot, **Anand - 388 001**. Tel: (02692) - 398200, Fax: (02692) - 398222. HDFC AMC Ltd., 3rd Floor, Shreemangalam Complex, Above IDBI Bank, Patel Society Road, Ward No. 1, Kasak Circle, **Bharuch - 392 012**. Tel: (0264) 2227205, Fax: (0264) 2227206. HDFC AMC Ltd., 2nd Floor, Gangotri Plaza, Opposite Daxinamurty School, Waghawadi Road, **Bhavnagar - 364 001**. Tel: (0278) - 3988029, Fax: (0278) - 3984039. HDFC AMC Ltd., 1st Floor, B Wing, Katira Complex, RTO Circle, **Bhuj - 370 001**. Tel: (02832) 223 223, Fax: (02832) 251. 946 HDFC AMC Ltd., 2nd Floor, Keshav Complex, P N Marg, Opposite Dhanvantry, **Jamnagar - 361 001**. Tel: (0288) - 3988029, Fax: (0288) - 3982426. HDFC AMC Ltd., 2nd Floor, Rajendra Estate, State Highway, **Mehsana - 384 002**. Tel: (02762) 302000. Fax: (02762) 302020. HDFC AMC Ltd., 2nd Floor, Shiv Darshan, Dr. Radha Krishnan Road, 5, Jagnath, Plot Corner, **Rajkot - 360 001**. Tel: 0281- 6624881 / 82, Fax: 0281 - 6624883. HDFC AMC Ltd., U1 - U3, Jolly Plaza, Opp. Athwa Gate Police Station, Athwa Gate, **Surat - 395 001**. Tel: 0261 - 2460082 / 83, Fax: 0261 - 2460091. HDFC AMC Ltd., Upper Ground Floor, Gokulesh, R. C. Dutt Road, **Vadodara - 390 007**. Tel: 0265 - 6621110 / 20, Fax: 0265 - 6621150. HDFC AMC Ltd., 5-B, 2nd Floor, Sapphire Building, Daulatnagar, Chala-Vapi Road, **Vapi - 396 191**. Tel: (0260) 3983900, Fax: (0260) 3983908. **HARYANA** : HDFC AMC Ltd., 1st Floor, Sudarshan Tower, Cross Road # 1, Nicholson Road, **Ambala Cantt -133 001**. Tel: (0171) 2631995/6 Fax: (0171) 2631994. HDFC AMC Ltd., TA - 12A, 15-18, Third Floor, Crown Plaza, Sector 15A, Mathura Road, **Faridabad - 121 001**. Tel: (0124) 2221 338 / 339 / 341 / 342 / 343, Fax: (0129) 2221340. HDFC AMC Ltd., Premises 102, 1st Floor, Vipul Agora, MG Road, **Gurgaon - 122 002**. Tel: (0124) 2560 450 - 54 Fax: (0124) 2560455. HDFC AMC Ltd., 1175 B Royal 1, 1st Floor, Adjoining Gurudawara, G.T Road, **Panipat - 132 103**. Tel: (0180) 3985400/ 01, Fax: (0180) 3985403. **HIMACHAL PRADESH**: 2nd Floor, Opposite Town Hall, 30, The Mall, **Shimla - 171 001**. Tel: (0177) 2816861. **JAMMU & KASHMIR** : HDFC AMC Ltd., Hall No-102 A/2, South Block, Bahu Plaza, Gandhi Nagar, **Jammu - 180 012**. Tel: (0191)-2477911/12/13 / (0191) 2474297/98/99. **JHARKHAND** : HDFC AMC Ltd., Vardhan Complex, 1st Floor, Opp. Sreeleathers Showroom, Bank More, **Dhanbad- 826 001**. Tel: (0326) 3205352, 2301756. Fax: (0326) 2300552. HDFC AMC Ltd., Gayatri Enclave, 2nd Floor, "K Road", Bistupur, **Jamshedpur - 831 001**. Telefax: 0657 - 2426730. HDFC AMC Ltd., Pradhan Towers, 1st Floor, 5, Main Road, **Ranchi- 834 001**. Tel: (0651) 6003358. Fax: (0651) 3242077. **KARNATAKA** : HDFC AMC Ltd., Nitesh Broadway, No. 9/3, 1-A, Ground Floor, M. G. Road, Opposite Trinity Metro Station, **Bangalore - 560001**. Tel: 080-66205300, Fax: 080-41125255. HDFC AMC Ltd., # 145, 1st Floor, 60 ft Road, 5th Block, Koramangala, **Bangalore - 560 034**. HDFC AMC Ltd., # 493, 1st Floor, 4th Cross, 2nd Main, Sampige Road, Malleshwaram, **Bangalore - 560 003**. HDFC AMC Ltd., Premises No. 4830 / B, First Floor, Dr. Ambedkar Road, Opp. Civil Medical College, **Belgaum - 590 002**. Tel: (0831) 4206 915 / 916 / 918, Fax: (0831) 4206919. HDFC AMC Ltd., # 63, Upper Ground Floor, Opposite Bellary Gas Agency, Anantapura Cross Road, **Bellary - 583 103**. Tel: (08392) 276576, Fax: (08392) 276580. HDFC AMC Ltd., 190/3, 1st Floor, S.V.C. Plaza, Opposite Mothi Talkies, Gandhi Circle, **Davangere - 577 002**. Tel: (08192) 250 240 / 241 / 242, Fax: (08192) 250243. HDFC AMC Ltd., No. 1, First Floor, Revankar Comforts, Vivekanand Road, Court Circle, **Hubli - 580 029**. Tel: (0836) 4252 294 / 95. Fax: (0836) 4252 290 HDFC AMC Ltd., UG-II, 6 & 7, Upper Ground Floor, Maximus Commercial Complex, Light House Hill Road, Opp. KMC, **Mangalore - 575 001**. Tel. 0824 - 4285337 / 33, Fax: 0824 - 4285336. No. 2918, CH 51 / 1 B, 1st Floor, Patel Mansion, Kantharaj Urs Road, Saraswathipuram, **Mysore - 570 009**. Tel: (0821) 4000 530 Fax: (0821) 4000 535. **KERALA** : HDFC AMC Ltd., 3rd Floor, City Mall, Opposite YMCA, Kannur Road, **Calicut - 673 001**. Tel: (0495) - 4099222 / 333, 3982310, Fax: (0495) - 3982330. HDFC AMC Ltd., Ground Floor, Cinema cum Commercial Complex, Behind Ravipuram Bus Stop, M. G. Road, **Kochi - 682 016**. Tel: 0484 - 2357707 / 8, 3243058 / 59, Fax: 0484 - 2358462. HDFC AMC Ltd., 14/868, Ground Floor, Sri Krishna Complex, Coimbatore Road, **Palghat - 678 001**. Tel: (0491) 2548 302 / 6452 185 / 186 / 188, Fax: (0491) 2548303. HDFC AMC Ltd., 2nd Floor, E-Town Shopping, College Road, East Fort, **Thrissur - 680 005**. Tel: (0487) 2441976. Fax: (0487) 2441976. HDFC AMC Ltd., 1st Floor, Kaniamparambil Arcade, G S Junction, Shastri Road, **Kottayam - 686 001**. Tel: (0481) 2309 759 / 760 / 761. Fax: (0481) 3018397. HDFC AMC Ltd., Ground Floor, Bhadra Tower, Cotton Hill Road, Vazhuthacaud, Thycud P.O., **Trivandrum - 695 014**. Tel: (0471) 3983 730 / 731 / 732 Fax: (0471) 3983738. **MADHYA PRADESH** : HDFC AMC Ltd., 1st Floor, Ranjeet Tower, 8, Zone-II, M. P. Nagar, **Bhopal - 462 011**. Tel: 0755 - 4285385, 4246995, Fax: 0755 - 4058890. HDFC AMC Ltd., M1, M2 & M3, Mezzanine Floor, Sterling Arcade, 15 / 3, Race Course Road, **Indore - 452 001**. Tel: 0731 - 4022241 / 42. Fax: 0731 - 4245436. HDFC AMC Ltd., First Floor, Muthye Udyog Bhawan, 1039, Wright Town, Opp. Telephone Exchange, **Jabalpur - 482 002**. Tel: (0761) - 4049800, 3988029 Fax: (0761) - 4068814 HDFC AMC Ltd., First Floor, Alakhnanda Towers, Shrimant Madhav Rao Scindia Marg, City Centre, **Gwalior - 474 001**. Tel: (0751) - 4066060, 3988029 Fax: (0751) - 3982803. **MAHARASHTRA** : HDFC AMC Ltd., 1st Floor, Amar Arcade - 2, Opp. Rajapeth Police Station, Raja Peth, **Amravati - 444 601**. Tel: (0721) 2562 112 / 113 Fax: (0721) 2564115. HDFC AMC Ltd., 2nd Floor, Renuka Commercial Complex, Samarth Nagar, Nirala Bazar, Nageshwar Wadi Road, **Aurangabad - 431 001**. Tel: (0240) - 3988029, Fax: (0240) - 3982068. HDFC AMC Ltd., 138, Ground Floor, Kavay Ratnavali Chowk, Omkareshwar Road, **Jalgaon - 425 002**. Tel: (0257) 3982100/ 01. Fax: (0257) 3982114. HDFC AMC Ltd., Royal Prestige, C1/C9, 1st Floor, E - Ward, Sykes Extension, Rajarampuri Road, **Kolhapur - 416 008**. Tel: (0231) - 3988029, Fax: (0231)

HDFC ASSET MANAGEMENT COMPANY LIMITED (HDFC AMC LIMITED) – INVESTOR SERVICE CENTRES / OFFICIAL POINTS OF ACCEPTANCE FOR HDFC MUTUAL FUND (CONTD.)

- 3982060. HDFC AMC Ltd.**, Premises Nos.. F1, 2, 3 & 4, 1st Floor, "Center Square", S.V. Road, Andheri (W), **Mumbai - 400 058**. Tel: (022) 26708239/26285389. Fax: (022) 26241131. HDFC AMC Ltd.** Shop # 7, Abhilasha Building, Punjabi Lane, Borivali (W), **Mumbai - 400 092** Tel: (022) 32157268 / 342, Fax: (022) 32719222. HDFC AMC Ltd.,* Ramon House, 3rd Floor, H. T. Parekh Marg, 169, Backbay Reclamation, Churchgate, **Mumbai - 400 020**. Tel: 022 - 66316333, Fax: 022 - 66580200. HDFC AMC Ltd., Mistry Bhavan, 2nd Floor, 122, Backbay Reclamation, Dinsha Vachha Road, Churchgate, **Mumbai - 400 020**. Tel: 022 - 60006767, Fax: 022 - 66580211. HDFC AMC Ltd.**, Shop No. 1 & 2, Ground Floor, Atlantic Tower, R B Mehta Road, Near Railway Station, Ghatkopar (East), **Mumbai - 400 077**. Tel: (022) 65253409/08/06/21, Fax: (022) 25116805. HDFC AMC Ltd.**, Unit No. 101, First Floor, Landmark Building, 136 Hill Road, Opp. St. Peters Church, Bandra (West), **Mumbai - 400 050**. Tel: (022) 26434 760 / 762 / 763 / 764, Fax: (022) 26434768. HDFC AMC Ltd.**, Shop No. 21/22, Ground Floor, Rajdeep CHS, Near Malhar Cinema, Gokhale Road, **Thane (West) - 400 602**. Tel: (022) 67124172/73/74/75/76, Fax: (022) 67124177. HDFC AMC Ltd., 106-110, 2nd Floor, Shriram Shyam Towers, Near NIT Building, Kingsway, Sadar, **Nagpur - 440 001**. Tel: 0712 - 6630301/02/04, Fax: 0712 - 6630206. HDFC AMC Ltd. G-1 & G-2, "Suyojit Heights", Opp. Rajiv Gandhi Bhavan, Sharanpur Road, **Nashik - 422 002**. Tel: 0253 - 6611831 / 32. Fax: 0253 - 6611836. HDFC AMC Ltd., 6, Chetana Apartment, 2423, East Street, Pune Camp, **Pune - 411 001**. Tel.: (020) 41223301/02, Fax: (020) 41223310. HDFC AMC Ltd., Ground Floor, City Mall, University Circle, Ganeshkhind Road, **Pune - 411 007**. Tel: 020 - 66073301, Fax: 020 - 66073310. HDFC AMC Ltd.**, BSE 1, Tech Building, 109, A Wing, 1st Floor, Opposite Vashi Railway Station, Sector 30, **Vashi - 400 703**. Tel: (022) - 39880299. HDFC AMC Ltd.**, 1st Floor, Anant Kuti (Bibikar Bldg.), Manpada Road, Opp. Municipal Corporation Bldg., **Dombivli (East)**, Mumbai - 421 201. Tel: (0251) 2860 648 / 649 / 645 / 656 Fax: (0251) 2863953, **ORISSA** : HDFC AMC Ltd., Sri Jagannath Complex, 1st Floor, Opposite Hari - Omm Bhawan, **Barbil - 758 035**. Tel: 09238106515 / 09238106525, Fax: (06767) 277565. HDFC AMC Ltd., Vinayak, 2nd Floor, 96, Janpath, **Bhubaneswar - 751 001**. Tel: 0674 - 6450502/1502, Fax: 0674 - 2531483. HDFC AMC Ltd., 1st Floor, Plot No. 2690 (P), Bajrakabati Road, Ranihat, **Cuttack - 753 001**. Tel: (0671) 2323724/ 725, Fax: (0671) 2324741. HDFC AMC Ltd., Praful Tower, 1st Floor, Panposh Road, **Rourkela - 769 004**. Tel: (0661) - 3988029, 3982060/70. Fax: (0661) -3982068. HDFC AMC Ltd., Kadambari Complex, 1st Floor, Unit - 4, Nayapara, Golbazar, **Sambalpur - 768 001**. Tel: (0663) 2400 323 / 339, Fax: (0663) 2400324. **PONDICHERY** : HDFC AMC Ltd., No.17, I Floor, Sree Velayudham Complex, Near Indhira Gandhi Square, Natesan Nagar, **Pondicherry - 605 005**. Tel: (0413) 3043 293 / 500 / 600. Fax: (0413) 2206776. **PUNJAB** : HDFC AMC Ltd., SCO-28, 1st Floor, Taneja Towers, District Shopping Complex, Ranjit Avenue, **Amritsar-143 001**. Tel: (0183) 3988028 /29/ 2570, Fax: (0183) 3982599. HDFC AMC Ltd., Ground Floor, Liberty Chowk, Corner Building, Municipal No. 83 - B, 3A, **Bhatinda - 151 001**. Tel.: (0164) 5001982, Fax: (0164) 5191283. HDFC AMC Ltd., SCO 375-376, Ground Floor, Sector 35-B, Chandigarh - 160 022. Tel: 0172 - 2623397, 2624497 Telfax: 0172 - 3013839. HDFC AMC Ltd., 2nd Floor, Above ING Vysya Bank, Adjacent to Sekhon Grand Hotel, Namdev Chowk, G T Road, **Jalandhar City - 144 001**. Tel: (0181) 3988029 / 970, Fax: (0181) 3982966. HDFC AMC Ltd., SCO 122, Feroze Gandhi Market, **Ludhiana - 141 001**. Tel: 0161 - 2774321 / 5014321. Fax: 0161 - 3013838. **RAJASTHAN** : HDFC AMC Ltd., 4th Floor, K.C. Complex, Opp. Daulat Bagh, **Ajmer - 305 001**. Tel: (0145) 3099000. Fax: (0145) 3099001. HDFC AMC Ltd., "Moondhra Bhavan", 3-Ajmer Road, **Jaipur - 302 001**. Tel: 0141 - 5111125, 2374968, Fax: 0141 - 5111126. Gulab Singh Bhavan, 11, Chopasni Road, **Jodhpur - 342 003**. Tel: 0291 - 5101927, 5101937, Fax: 0291 - 5105919. HDFC AMC Ltd., 1st Floor, Gowardhan Plaza, 25, Trench Colony, Opposite Lok Kalamandal, **Udaipur - 313 001**. Tel: (0294) 3988029, Fax: (0294) 3982000. **TAMIL NADU** : HDFC AMC Ltd., ITC Centre, First Floor, 760, Anna Salai, **Chennai - 600 002**. Tel: 044 - 43979797 / 43979716, Fax: 044 - 28415855. HDFC AMC Ltd., 1371A, Ground Floor, Nadar Building, Trichy Road, **Coimbatore - 641 018**. Tel: 0422 - 4391861/62/63. Fax: 0422 - 4391714. HDFC AMC Ltd., 127 C/3 East Veli Street, **Madurai - 625 001**. TeleFax: (0452) - 3988029. HDFC AMC Ltd., 1st Floor, No1 Bhimsena Garden Street, Royapettah High Road, **Mylapore, Chennai - 600 004**. Tel: (044) 30913060, Fax: (044) 30913082. HDFC AMC Ltd., First floor, Ram Complex, No. 454/3, Meyanoor Main Road, **Salem - 636 009**. HDFC AMC Ltd., 1st floor, No. 142/7, Sri Balaji Arcade, Opp to Alagar Jewellery, Trivandrum Road, Palayamkottai, Tirunelveli - 627 002. Tel.: (0462) 2576174, Fax: (0462) 2576173. Tel: (0427) 3982680/700. Fax: (0427) 2333617. HDFC AMC Ltd., No. 60, Sri Krishna Arcade, First Floor, Tennur High Road, Tennur, **Trichy - 620 017**. Tel: (0431) 3982830, Fax: (0431) 3982835. HDFC AMC Ltd., Premises No.73, First Floor Door No. 73/19, Thiagarajarapuram Officer's Line Officer's Line, **Vellore - 632 001**. Tel: (0416) 2214670/2. Fax: (0416) 2214671. **UTTARAKHAND** : HDFC AMC Ltd., 76, Rajpur Road, Near RTO, **Dehradun - 248 001**. Tel: (0135) 3988029/ 7434, Fax: (0135) 3987444. HDFC AMC Ltd., Plot No. 1, 1st Floor, Durga City Centre, Bhotia Parao, Nainital Road, **Haldwani - 263 139**. Tel: (05946) 285286 Fax: (05946) 285290. HDFC AMC Ltd., 1st Floor, Kumar Complex, Chandracharya Chowk, **Haridwar - 249407** Tel: (01334) 222406/7 Fax: (01334) 222410. **UTTAR PRADESH** : HDFC AMC Ltd., B2, 1st Floor, 9/4, Shankar Point, Sanjay Place, **Agra- 282 002**. Tel: (0562) 3984761-73, Fax: (0562) 3984777. HDFC AMC Ltd., 3/260-A, Arena Complex, Laxmibai Marg, Marris Road, **Aligarh - 202 001**. Tel: (0571) 2740 770 / 771 / 772 / 773, 2743 970 / 971, Fax: (0571) 2740772. HDFC AMC Ltd., 3rd Floor, Agarwal Arcade, Hyundai Motors Showroom, 4 Sardar Patel Marg, Civil Lines, **Allahabad - 211 001**. Tel: (0532) 2561 035/036/038/041/042/043, Fax: (0532) 2561035. HDFC AMC Ltd., 146 Civil Lines, 1st Floor, Gupta Complex, Near Circuit House Chouraha, **Bareilly - 243 001**. Tel: (0581) 2510 749 / 759, Fax: (0581) 2510709. HDFC AMC Ltd., D-2, 1st Floor, Raj Nagar District Centre, Raj Nagar, **Gaziabad - 201 010**. Tel: (0120) 301 0635 Fax: (0120) 3010636. HDFC AMC Ltd., 4th Floor, A.D. Tower Compound, Bank Road, **Gorakhpur - 273 001**, Tel. No: (0551) 6060011/2/3. HDFC AMC Ltd., 1st Floor, 16/80 D, Behind SBI Main, Civil Lines, **Kanpur - 208 001**. Tel: 0512 - 2331484-87, Fax: 0512 - 2331487. HDFC AMC Ltd., 4 Shahnajaf Road, **Lucknow - 226 001**. Tel: 0522 -2207591, 2200163, Fax: 0522 - 2230408. HDFC AMC Ltd., 143/145/1, Ganpati Plaza, Ground Floor, Magal Pandey Nagar, **Meerut - 250 005**. Tel: (0121) 2602 380 / 2601 964 / 965, Fax: (0121) 2602380. HDFC AMC Ltd., Parsvnath Plaza-II, UGF Hall No.4, Delhi Road, **Moradabad - 244 001**. Tel: (0591) 3988029 / 3982131. Fax: (0591) 3982137. HDFC AMC Ltd., K-24/25, Premises No. 36 & 37, Pearl Plaza, Sector-18, **Noida - 201 301**. Tel: (0120) 3988029. Fax: (0120) 3980610. HDFC AMC Ltd., D-64/127, 4th Floor, Arihant Complex, Sagra, **Varanasi - 221 010**. Tel: 9935177068, 9935147068. **WEST BENGAL** : HDFC AMC Ltd., 2nd Floor, Chatterjee Plaza, 69/101, GT Road, Rambandhutala, Asansol - 713 303. Tel: (0341) 2221220, Fax: (0341) 2221219. HDFC AMC Ltd., City Plaza, City Centre, 1st Floor, **Durgapur - 713 216**. Tel: (0343) 3982150, Fax: (0343) 3982153. HDFC AMC Ltd., MS Towers, 2nd Floor, O.T. Road, Inda, **Kharagpur - 721 305**. Tel: (03222) 227 627 / 657. Fax: (03222) 227683. HDFC AMC Ltd., Menaka Estate, 1st Floor, 3 Red Cross Place, **Kolkata - 700 001**. Tel: 033 - 22427849 / 53 / 56 / 59, Fax: 033 - 22439582. Gitanjali Complex, 2nd Floor, Above Corporation Bank, Sevoke Road, **Siliguri - 734 001**. Tel: (0353) - 6453474. Fax: (0353) 2545270.

*This is not an Investor Service Centre for HDFC Mutual Fund. However, this is an official point of acceptance for acceptance of all on-going transactions from Institutional Investors only, i.e. broadly covering all entities other than resident / non resident individuals. Institutional Investors are free to lodge their applications at any other official points of acceptance also.

**Official points of acceptance of transactions for schemes of HDFC Mutual Fund except purchase transactions of Liquid Schemes / Plans viz. HDFC Liquid Fund, HDFC Liquid Fund - Premium Plan and Premium Plus Plan and HDFC Cash Management Fund - Savings Plan & Call Plan.

CAMS – OFFICIAL POINTS OF ACCEPTANCE OF TRANSACTIONS (Post NFO Period)

A. List of Investor Service Centres (ISCs) of Computer Age Management Services Pvt. Ltd. (CAMS), Registrar & Transfer Agents of HDFC Mutual Fund. These ISCs will be in addition to the existing points of acceptance at the offices of HDFC Asset Management Company Ltd. (Investor Service Centres for HDFC Mutual Fund). These ISCs of CAMS will be the official points of acceptance of transactions for schemes of HDFC Mutual Fund except Liquid Schemes/ Plans viz. HDFC Liquid Fund, HDFC Liquid Fund - Premium Plan and Premium Plus Plan and HDFC Cash Management Fund - Savings Plan & Call Plan.

ANDHRA PRADESH : 208, II Floor, Jade Arcade, Paradise Circle, **Secunderabad - 500 003.** 47/ 9 / 17, 1st Floor, 3rd Lane, Dwaraka Nagar, **Visakhapatnam - 530 016.** **ASSAM :** Dhawal Complex, Ground Floor, Durgabari, Rangagora Road, Near Dena Bank, **Tinsukia - 786 125.** **BIHAR :** G-3, Ground Floor, Om Vihar Complex, SP Verma Road **Patna - 800 001.** **GOA :** No.108, 1st Floor, Gurudutta Bldg, Above Weekender, M.G. Road, **Panaji, Goa - 403 001.** **GUJARAT :** 402-406, 4th Floor - Devpath Building, Off C G Road, Behind Lal Bungalow, Ellis Bridge, **Ahmedabad - 380 006.** Office 207 - 210, Everest Building, Opp. Shastri Maidan, Limda Chowk, **Rajkot - 360 001.** Plot No-629, 2nd Floor, Office No. 2-C / 2-D, Mansukhlal Tower, Beside Seventh Day Hospital, Opp. Dhiraj Sons, Athwalines, **Surat - 395 001.** 103, Aries Complex, BPC Road, Off R.C. Dutt Road, Alkapuri, **Vadodara - 390 007.** **JHARKAND :** Millennium Tower, S-4 Ground Floor, R- Road, Bistupur, **Jamshedpur - 831 001.** **KARNATAKA :** Trade Centre, 1st Floor, 45, Dikensen Road (Next to Manipal Centre), **Bangalore - 560 042.** G 4 & 5, Inland Monarch, Opp. Karnataka Bank, Kadri Main Road, Kadri, **Mangalore - 575 003.** **KERALA :** Door No. 64/5871 - D, 3rd Floor, Ittoop's Imperial Trade Center, M. G. Road (North), **Kochi - 682 035.** **MAHARASHTRA :** Ground Floor, Rajabhadur Compound, Opp. Allahabad Bank, Behind ICICI Bank, 30, Mumbai Samachar Marg, Fort, **Mumbai - 400 023.** 145 Lendra Park, Behind Shabari, New Ramdaspath, **Nagpur - 440 010.** Nirmiti Eminence, Off No. 6, 1st Floor, Opp. Abhishek Hotel, Mehendale Garage Road, Erandawane, **Pune - 411 004.** **MADHYA PRADESH :** Plot No. 10, 2nd Floor, Alankar Complex, Near ICICI Bank, M. P. Nagar, Zone II, **Bhopal - 462 011.** 101, Shalimar Corporate Centre, 8-B, South Tukoganj, Opp. Green Park, **Indore - 452 001.** **NEW DELHI :** 304-305, III Floor, Kanchenjunga Building, 18, Barakhamba Road, **New Delhi - 110 001.** **ORISSA :** Plot No. - 111, Varaha Complex Building, 3rd Floor, Station Square, Kharvel Nagar, Unit 3, **Bhubaneswar - 751 001.** **PUNJAB :** Deepak Towers, SCO 154-155, 1st Floor, Sector 17-C, **Chandigarh - 160 017.** Shop no. 20-21 (Ground Floor), Prince Market, Near Traffic Lights, Sarabha Nagar Pulli, Pakhowal Road, P.O: Model Town, **Ludhiana - 141 002.** • **RAJASTHAN :** G-III, Park Saroj, Behind Ashok Nagar Police Station, R-7, Yudhisthir Marg, C-Scheme, **Jaipur - 302 001.** 1/5, Nirmal Tower, 1st Chopasani Road, **Jodhpur - 342 003.** **TAMIL NADU :** 66, Lokmanya Street (West), Ground Floor, R. S. Puram, **Coimbatore - 641 002.** 178/10, Kodambakkam High Road, Opp. Hotel Palm Grove, Nungambakkam, **Chennai - 600 034.** **UTTAR PRADESH :** 106 - 107 - 108, 1st Floor, IInd Phase, City Centre, 63/2, The Mall, **Kanpur - 208 001.** C-81, 1st floor, Sector - 2, **Noida - 201 301.** Off# 4, 1st Floor, Centre Court, 5, Park Road, Hazratganj, **Lucknow - 226 001.** **WEST BENGAL :** 2nd Floor, Saket Building, 44 Park Street, **Kolkata - 700 016**

B. List of Transaction Points of Computer Age Management Services Pvt. Ltd. (CAMS), Registrar & Transfer Agents of HDFC Mutual Fund. These Transaction Points will be in addition to the existing points of acceptance at the offices of HDFC Asset Management Company Ltd. (Investor Service Centres for HDFC Mutual Fund)

ANDHRA PRADESH : 15-570-33, I Floor, Pallavi Towers, **Ananthapur - 515 001.** D. No. 5-38-44, 5/1, Brodipet, Near Ravi Sankar Hotel, **Guntur - 522 002.** Bandi Subbaramaiah Complex, Door No: 3/1718, Shop No: 8, Raja Reddy Street, Besides Bharathi Junior College, **Kadapa - 516 001.** No.33-1, 44 Sri Sathya Complex, Main Road, **Kakinada - 533 001.** H. No.7-1-257, Upstairs S.B.H, Mankammathota, **Karimnagar - 505 001.** H. No. 43/8, Upstairs, Uppini Arcade, N R Peta, **Kurnool - 518 004.** 9/756, 1st Floor, Immadisetty Towers, Ranganayakulapet Road, Santhapet, **Nellore - 524 001.** D. No. 7-27-4, Krishna Complex, Baruvari Street, T. Nagar, **Rajahmundry - 533 101.** Shop No.14, Boligala Complex, 1st Floor, Door No. 18-8-41B, Near Leela Mahal Circle, Tirumala Bye Pass Road, **Tirupathi - 517 501.** 40-1-68, Rao & Ratnam Complex, Near Chennupati Petrol Pump, M. G. Road, Labbipet, **Vijayawada - 520 010.** F13, 1st Floor, BVSS Mayuri Complex, Opp. Public Garden, Lashkar Bazaar, Hanamkonda, **Warangal - 506 001.** **ASSAM :** Old Post Office Lane, Bye Lane No 1, Rehabari, **Guwahati - 781 008.** **BIHAR :** Krishna, 1st Floor, Near Mahadev Cinema, Dr. R. P. Road, **Bhagalpur - 812 002.** Brahman Toil, Durga Asthan, Gola Road, **Muzaffarpur - 842 001.** **CHHATTISGARH :** 209, Khichariya Complex, Near Nehru Nagar SQ, **Bhilai - 490 020.** Beside HDFC Bank, Link Road, **Bilaspur - 495 001.** Tel: (7752) 327 886 / 887. C-23, Sector 1, Devendra Nagar, **Raipur - 492 004.** **GOA :** Virginkar Chambers, 1st floor, Near Kamat Milan Hotel, New Market, Near Lily Garments, Old. Station Road, **Margao - 403 601.** **GUJARAT :** No. 101, A P Towers, B/H Sardar Gunj, Next to Nathwani Chambers, **Anand - 388 001.** Shop No - F -56, 1st Floor, Omkar Complex, Opp. Old Colony, Near Valia Char Rasta, GIDC, **Ankleshwar - 393002.** 305-306, Sterling Point, Waghawadi, Opp. HDFC Bank, **Bhavnagar - 364 002.** Office No. 17, 1st Floor, Municipal Bldg, Opp. Hotel Prince Station Road, **Bhuj - 370 001.** Kailash Complex, Opp. Khedut Decor, **Gondal - 360 311.** 217/218, Manek Centre, P. N. Marg, **Jamnagar - 361 001.** Circle Chowk, Near Choksi Bazar Kaman, **Junagadh - 362 001.** 1st Floor, Subhadra Complex, Urban Bank Road, **Mehsana - 384 002.** Dinesh Vasani & Associates, 103-Harekrishna Complex, Above IDBI Bank, Near Vasant Talkies, Chimnabai Road, **Navasari - 396 445.** . Gita Nivas, 3rd Floor, Opp. Head Post Office, Halar Cross Lane, **Valsad - 396 001.** 215-216, Heena Arcade, Opp. Tirupati Tower, Near G.I.D.C. Char Rasta, **Vapi - 396 195.** **HARYANA :** Opposite PEER, Bal Bhawan Road, **Ambala City - 134 003.** B-49, 1st Floor, Nehru Ground, Behind Anupam Sweet House, NIT, **Faridabad - 121 001.** SCO - 16, First Floor, Sector - 14, **Gurgaon - 122 001.** 12, Opp. Bank of Baroda, Red Square Market, **Hisar - 125 001.** 83, Devi Lal Shopping Complex, Opp ABN AMRO Bank, G. T. Road, **Panipat - 132 103.** 205, 2nd Floor, Bldg No. 2, Munjal Complex, Delhi Road, **Rohtak - 124 001.** 124 - B / R, Model Town, **Yamuna Nagar - 135 001.** **HIMACHAL PRADESH :** 1st Floor, Opp. Panchayat Bhawan Main Gate, Bus Stand, **Shimla - 171 001.** **JAMMU & KASHMIR :** JRDS Heights, Lane Opp. S&S Computers, Near RBI Building, Sector 14, Nanak Nagar, , **Jammu - 180 004.** **JHARKHAND :** Mazzanine Floor, F-4, City Centre Sector 4, Bokaro Steel City, **Bokaro - 827 004.** S. S. M. Jalan Road, Ground Floor, Opp. Hotel Ashoke, Caster Town, **Deoghar - 814 112.** Urmila Towers, Room No. 111, 1st Floor, Bank More, **Dhanbad - 826 001.** Municipal Market, Annanda Chowk, **Hazaribagh - 825 301.** 4, HB Road No. 206, 2nd Floor, Shri Lok Complex, **Ranchi - 834 001.** **KARNATAKA :** 1st Floor, 221/2A/1B, Vaccine Depot Road, Near 2nd Railway gate, Tilakwadi, **Belgaum - 590 006.** # 60/5, Mullangi Compound, Gandhinagar Main Road, (Old Gopalswamy Road), **Bellary - 583 101.** #13, 1st Floor, Akkamahadevi Samaj Complex, Church Road, P J Extension, **Davangere - 577 002.** No. 204 - 205, 1st Floor, 'B' Block, Kundagol Complex, Opp. Court, Club Road, **Hubli - 580 029.** No.3, 1st Floor, CH.26, 7th Main, 5th Cross (Above Trishakthi Medicals) Saraswati Puram, **Mysore - 570 009.** Nethravathi, Near Gutti Nursing Home, Kuvempu Road, **Shimoga - 577 201.** **KERALA :** Doctor's Tower Building, 1st Floor, Door No. 14/2562, North

CAMS – OFFICIAL POINTS OF ACCEPTANCE OF TRANSACTIONS (CONTD.)

of Iorn Bridge, Near Hotel Arcadia Regency, **Alleppey - 688 001**. Room No. 14/435, Casa Marina Shopping Centre, Talap, **Kannur - 670 004**. Kochupilamoodu Junction, Near VLC, Beach Road, **Kollam - 691 001**. Building No.: KMC IX / 1331 A, Opp. Malayala Manorama, Railway Station Road, Thekkummoottil, **Kottayam - 686 001**. 29/97G, 2nd Floor, Gulf Air Building, rayidathupalam, Mavoor Road, **Kozhikode - 673 016**. 10 / 688, Sreedevi Residency, Mettupalayam Street, **Palakkad - 678 001**. Room No. 26 & 27, Dee Pee Plaza, Kakkalai, **Thrissur - 680 001**. R. S. Complex, Opp. LIC Building, Pattom, P.O., **Trivandrum - 695 004**. Central Tower, Above Indian Bank, Cross Junction, **Thiruvalla - 689 101**. **MADHYA PRADESH** : G-6, Global Apartment, Phase-II, Opposite Income Tax Office, Kailash Vihar City Centre, **Gwalior - 474 011**. 8, Ground Floor, Datt Towers, Behind Commercial Automobiles, Napier Town, **Jabalpur - 482 001**. **MAHARASHTRA** : Opp. RLT Science College, Civil Lines, **Akola - 444 001**. 81, Gulsham Tower, Near Panchsheel, **Amaravati - 444 601**. Office No. 1, 1st Floor, Amodi Complex, Juna Bazar, **Aurangabad - 431 001**. 70, Navipeth, Opp. Old Bus Stand, **Jalgaon - 425 001**. 2 B, 3rd Floor, Ayodhya Towers, Station Road, **Kolhapur - 416 001**. Ruturang Bungalow, 2, Godavari Colony, Behind Big Bazar, Near Boys Town School, Off College Road, **Nasik - 422 005**. 117 / A / 3 / 22, Shukrawar Peth, Sargam Apartment, **Satara - 415 002**. Flat No 109, 1st Floor, A Wing, Kalyani Tower, 126 Siddheshwar Peth, Near Pangal High School, **Solapur - 413 001**. 3rd Floor, Nalanda Chambers, "B" Wing, Gokhale Road, Near Hanuman Temple, Naupada, **Thane (W) - 400 602**. **ORISSA** : B. C. Sen Road, **Balasore - 756 001**. Gandhi Nagar Main Road, 1st Floor, Upstairs of Aroon Printers, **Berhampur - 760 001**. Near Indian Overseas Bank, Cantonment Road, Mala Math, **Cuttack - 753 001**. 1st Floor, Mangal Bhawan, Phase II, Power House Road, **Rourkela - 769 001**. Opp. Town High School, Sansarak, **Sambalpur - 768 001**. **PONDICHERY** : S-8, 100, Jawaharlal Nehru Street, (New Complex, Opp. Indian Coffee House), **Pondicherry - 605 001**. **PUNJAB** : SCO - 18J, 'C' Block Ranjit Avenue **Amritsar - 143 001**. 2907 GH, GT Road, Near Zilla Parishad, **Bhatinda - 151 001**. 367/8, Central Town, Opp. Gurudwara Diwan Asthan, **Jalandhar - 144 001**. 35, New Lal Bagh Colony, **Patiala - 147 001**. **RAJASTHAN** : AMC No. 423/30, Near Church, Brahampuri, Opposite T B Hospital, Jaipur Road, **Ajmer - 305 001**. 256 - A, Scheme No. 1, Arya Nagar, **Alwar - 301 001**. Indraparshta Tower, Shop Nos. 209 - 213, Second Floor, Shyam Ki Sabji Mandi, Near Mukharji Garden, **Bhilwara - 311 001**. F. 4, 5, Bothra Complex, Modern Market, **Bikaner - 334 001**. B-33 'Kalyan Bhawan', Triangle Part, Vallabh Nagar, **Kota - 324 007**. 18 L Block, **Sri Ganganagar - 335 001**. 32, Ahinsapuri, Fatehpura Circle, **Udaipur - 313 004**. **TAMILNADU** : Ground Floor, 148, Old Mahabalipuram Road, Okkiyam, Thuraiyakkam, **Chennai - 600 097**. 171-E, Sheshaiyer Complex, First Floor, Agraharam Street, **Erode - 638 001**. 126 GVP Towers, Kovai Road, Basement of Axis Bank, **Karur - 639 002**. Jailani Complex, 47, Mutt Street, **Kumbakonam - 612 001**. 86/71-A, Tamil Sangam Road, **Madurai - 625 001**. No. 2, 1st Floor, Vivekanand Street, New Fairland, **Salem - 636 016**. 1st Floor, Mano Prema Complex, 182/6, S.N. High Road, **Tirunelveli - 627 001**. No. 1 (1), Binny Compound, 2nd Street, Kumaran Road, **Tiruppur - 641 601**. No. 8, 1st Floor, 8th Cross West Extn., Thillainagar, **Trichy - 620 018**. No. 54, 1st Floor, Pillaiyar Koil Street, Thottapalayam, **Vellore - 632 004**. **TRIPURA** : Krishnanagar, Advisor Chowmuhan (Ground Floor), **Agartala - 799 001**. **UTTAR PRADESH** : No. 8, II Floor, Maruti Tower, Sanjay Place, **Agra - 282 002**. City Enclave, Opp. Kumar Nursing Home, Ramghat Road, **Aligarh - 202 001**. 30/2, A&B, Civil Lines Station, Besides Vishal Mega Mart, Strachey Road, **Allahabad - 211 001**. F-62, 63, II nd Floor, Butler Plaza Commercial Complex, Civil Lines, **Bareilly - 243 001**. 113/6 I Floor, Navyug Market, **Ghaziabad - 201 002**. Shop No. 3, 2nd Floor, Cross Road, A. D. Chowk Bank Road, **Gorakhpur - 273001**. Opp. SBI Credit Branch, Babu Lal Karkhana Compound, Gwalior Road, **Jhansi - 284 001**. B-612 'Sudhakar', Lajpat Nagar, **Moradabad - 244 001**. 108, Ist Floor, Shivam Plaza, Opposite Eves Cinema, Hapur Road, **Meerut - 250 002**. I Floor, Krishna Complex, Opp. Hathi Gate, Court Road, **Saharanpur - 247 001**. C-28/142 - 2A, Near Teliya Bagh Crossing, Teliya Bagh, **Varanasi - 221 002**. **UTTARANCHAL** : 204/121, Nari Shilp Mandir Marg, Old Connaught Place, **Dehradun - 248 001**. **WEST BENGAL** : Block - G, 1st Floor, P C Chatterjee Market Complex, Rambandhu Talab, P. O. Ushagram, **Asansol - 713 303**. 399, G T Road, Opposite of Talk of the Town, **Burdwan - 713 101**. City Plaza Building, 3rd Floor, City Centre, **Durgapur - 713 216 A** - 1/50, Block - A, **Kalyani - 741 235**. Shivhare Niketan, H. No. 29/11, Ward No. 15, Malancha Main Road, Opposite UCO Bank, **Kharagpur - 721 301**. No. 7, Swamiji Sarani, Ground Floor, Hakimpara, **Siliguri - 734 001**.

C. List of Limited Transaction Points (LTPs) of Computer Age Management Services Pvt. Ltd. (CAMS), Registrar & Transfer Agents of HDFC Mutual Fund. These LTPs of CAMS will be the official points of acceptance of transactions for schemes of HDFC Mutual Fund except purchase transactions of Liquid Schemes / Plans viz. HDFC Liquid Fund, HDFC Liquid Fund - Premium Plan and Premium Plus Plan and HDFC Cash Management Fund - Savings Plan & Call Plan. These LTPs will accept transaction / service requests from Monday to Friday between 12 p.m. and 3 p.m. only.

ANDHRA PRADESH : Shop No: 11 - 2 - 31/3, 1st Floor, Philips Complex, Balajinagar, Wyra Road, Near Baburao Petrol Bunk, **Khammam - 507 001**. Door No. 4 - 1 - 62, Adjacent to Idea Show Room, Palakonda Road, **Srikakulam - 532 001**. **BIHAR** : Shahi Complex, 1st Floor, Near RB Memorial hospital, V.I. P. Road, Benta, Laheriasarai, **Darbhanga - 846 001**. **GOA** : Office No. CF-8, 1st Floor, Business Point, Above Bicholim Urban Co-op Bank Ltd, Angod, **Mapusa - 403 507**. No. DU 8, Upper Ground Floor, Behind Techoclean Clinic, Suvidha Complex, Near ICICI Bank, Vasco da Gama - 403 802 Tel. No : (0832) 3251755 / 640. **GUJARAT** : F-108, Rangoli Complex, Station Road, Bharuch - 392 001. Tel: 9825304183. Plot No. 261, 1st Floor, Sector 1A, Om Mandap Galli, **Gandhidham - 370 201**. D-78, First Floor, New Durga Bazar, Near Railway Crossing, **Himmatnagar - 383 001**. 8, Ravi Kiran Complex, Ground Floor, Nanakumbhnaath Road, **Nadiad - 387 001**. Jyotindra Industries Compound, Near Vinayak Party Plot, Deesa Road, **Palanpur - 385 001**. 2 M I Park, Near Commerce College, Wadhwan City, **Surendranagar - 363 035**. 10/11, Maruti Complex, Opp. B R Marbles, Highway Road, **Unjha - 384 170**. Tel: (02762) 323 985 / 117. **HARYANA** : 7, 1st Floor, Kunjapura Road, Opp Bata Showroom, **Karnal - 132 001**. Tel: 09813999809 Gali No.1, Old Court Road, Near Railway Station Crossing, **Sirsa - 125 055**. **HIMACHAL PRADESH**: 1st Floor, Above Sharma General Store, Near Sanki Rest house, The Mall, **Solan - 173 212**. **KARNATAKA**: Pal Complex, Ist Floor, Opp. City Bus Stop, Super Market, **Gulbarga - 585 101**. Trade Centre, 2nd Floor, Syndicate Circle, Starting Point, **Manipal - 576 104**. **MADHYA PRADESH** : Office No. 1, Parasia Road, Near Mehta Colony, **Chhindwara - 480 001**. 1st Floor, Gurunanak Dharmakanta, Jabalpur Road, Bargawan, **Katni - 483501**. 18, Ram Bagh, Near Scholar's School, **Ratlam - 457 001**. Opp. Somani Automobiles, Bhagwanganj, **Sagar - 470 002**. 123, 1st Floor, Siddhi Vinayaka Trade Centre, Saheed Park, **Ujjain - 456 010**. **MAHARASHTRA** : 203-A, Mutha Chambers, Old Vasant Talkies, Market Yard Road, **Ahmednagar - 414 001**. 3, Adelaide Apartment, Christian Mohala, Behind Gulshan-E-Iran Hotel, Amardeep Talkies Road, **Bhusawal - 425 201**. H. No. 1793 / A, J.B. Road, Near Tower Garden, **Dhule - 424 001**. Shop No.6, Ground Floor, Anand Plaza Complex, Bharat Nagar, Shivaji Putla Road, **Jalna - 431 203**. CTS No 411, Citipoint, Gundivali, Teli Gali, Above C.T. Chatwani Hall, Andheri (E), Mumbai - 400 069. Andheri (E), **Mumbai - 400 069**. Kohinoor Complex, Near Natya Theatre, Nachane Road, **Ratnagiri - 415 639**. Diwan Niketan, 313, Radhakrishna Vasahat, Opp. Hotel Suruchi, Near S.T.

CAMS – OFFICIAL POINTS OF ACCEPTANCE OF TRANSACTIONS (CONTD.)

Stand, **Sangli - 416 416**. Pushpam, Tilakwadi, Opp. Dr. Shrotri Hospital, **Yavatmal - 445 001**. **PUNJAB** : Near Archies Gallery, Shimla Pahari Chowk, **Hoshiarpur - 146 001**. Ground Floor, Adjoining TATA Indicom Office, Dutta Road, **Moga - 142 001**. **RAJASTHAN** : 3 Ashok Nagar, Near Heera Vatika, **Chittorgarh-312 001**. **TAMIL NADU** : 16A/63A, Pidamaneri Road, Near Indoor Stadium, **Dharmapuri - 636 701**. Shop No. 8, J. D. Plaza, Opp. TNEB Office, Royakotta Road, **Hosur - 635 109 (Outstation Cheques will be accepted)**. 156A / 1, First Floor, Lakshmi Vilas Building, Opp. to District Registrar Office, Trichy Road, **Namakkal - 637 001**. D. No. 59A/1, Railway Feeder Road, (Near Railway Station), **Rajapalayam - 626 117**. 1-A/25, 1st Floor, Eagle Book Centre Complex, Chidambaram Nagar Main, Palayamkottai Road, **Tuticorin - 628 008**. **UTTARAKHAND** : Durga City Centre, Nainital Road, **Haldwani - 263 139**. 22 Civil Lines, Ground Floor, Hotel Krish Residency, **Roorkee - 247 667**. **UTTAR PRADESH** : Office No. 3, 1st Floor, Jamia Shopping Complex, Opposite Pandey School, Station Road, **Basti - 272 002**. 64, Cantonment, Near GPO, **Faizabad - 224 001**. 248, Fort Road, Near Amber Hotel, **Jaunpur - 222 001**. 159 / 160, Vikas Bazar, **Mathura - 281 001**. 17, Anand Nagar Complex, **Rae Bareli - 229 001**. Bijlipura, Near Old District Hospital, Jail Road, **Shahjahanpur - 242 001**. Arya Nagar, Near Arya Kanya School, **Sitapur - 261 001**. 967, Civil Lines, Near Pant Stadium, **Sultanpur - 228 001**. **WEST BENGAL** : 2nd Floor, New Market Complex, Durgachak Post Office, Purba Medinipur District, **Haldia - 721 602**. 33, C.R Avenue, 2nd floor, Room No.13, Kolkata - 700 012. 148, Jessore Road, Block -B, 2nd Floor, Kestopur, **Kolkata -700 074**. Daxhinapan Abasan, Opp Lane of Hotel Kalinga, SM Pally, **Malda - 732 101**.

OFFICIAL POINT OF ACCEPTANCE FOR TRANSACTIONS IN ELECTRONIC FORM

Investors can undertake any transaction, including purchase / redemption / switch and avail of any services as may be provided by AMC from time to time through the online/electronic modes/ sources like its official website - www.hdfcfund.com, mobile handsets, etc. Additionally, this will also cover transactions submitted in electronic mode, including through secured internet sites operated by CAMS, by specified banks, financial institutions, distributors etc., on behalf of investors, with whom AMC has entered or may enter into specific arrangements. The servers (maintained at various locations) of HDFC Asset Management Company Limited (AMC) and CAMS will be the official point of acceptance for all such online / electronic transaction facilities offered by the AMC.

AMFI CERTIFIED STOCK EXCHANGE BROKERS/ CLEARING MEMBERS /DEPOSITORY PARTICIPANTS# AS OFFICIAL POINTS OF ACCEPTANCE FOR TRANSACTIONS (PURCHASE/ REDEMPTION) OF UNITS OF HDFC MUTUAL FUND SCHEMES THROUGH THE STOCK EXCHANGE(S) INFRASTRUCTURE

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

The eligible AMFI certified stock exchange Brokers/ Clearing Members/ Depository Participants who have complied with the conditions stipulated in SEBI Circular No. SEBI /IMD / CIR No.11/183204/2009 dated November 13, 2009 for stock brokers viz. AMFI/ NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund will be considered as Official Points of Acceptance (OPA) of the Mutual Fund.



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A Joint Venture with Standard Life Investments Limited

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