

L&T Hybrid Equity Fund

Striking a balance between growth and stability

One of the pre-requisites for a sound investment strategy is to strike a desired balance between risk and return so that along with achieving a strong long term growth, one could also maintain a certain level of stability in the investment portfolio. One of the simpler ways of accomplishing this balance is by investing in asset allocation funds that follow a disciplined asset allocation strategy. While there are funds with different asset allocation strategies to suit the needs of investors with different investment horizons and risk appetite, equity oriented hybrid funds probably offer the right mix of growth potential and stability for moderately aggressive investors seeking long term wealth creation.

L&T Hybrid Equity Fund is a hybrid scheme investing predominantly in equity and equity related instruments, which invests 65-75% of the portfolio in equity and equity related securities and 25-35% in debt and money market instruments.

Asset Allocation Pattern

Instruments	Indicative allocation (%)		Risk profile
	Max	Min	
Equity and equity related securities	75	65	Medium to High
Debt and Money Market Instruments including units of debt / fixed income schemes launched by mutual funds registered with SEBI *	35	25	Low to Medium

*includes investments in securitized debt up to 35% of net assets

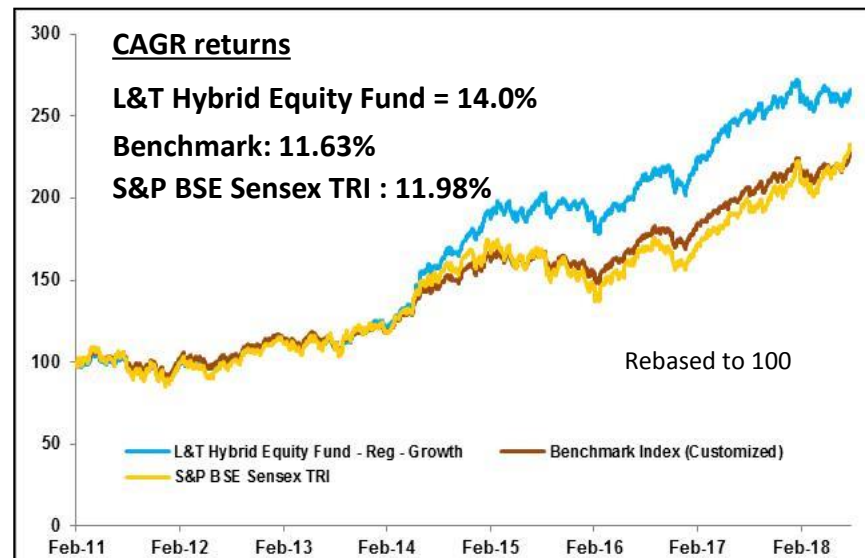
Investment Approach

- ❖ Invests 65-75% in equity and equity related securities and 25-35% in debt and money market securities.
- ❖ Focus on investing in fundamentally strong businesses at a valuation level that offers adequate margin of safety
- ❖ Fundamentals driven bottom-up stock selection using our proprietary G.E.M investment approach
- ❖ Flexible equity investment approach to help capitalize on opportunities across the market spectrum
- ❖ For fixed income allocation, focus is on maintaining high credit quality portfolio
- ❖ Strong risk management framework - a well diversified portfolio with focus on managing portfolio risks

Why invest in L&T Hybrid Equity Fund?

- Offers growth potential of equities as it invests 65%-75% of the portfolio in stocks
- The debt portion adds stability to the portfolio and help control volatility to a certain extent
- Disciplined asset allocation approach helps in systematically booking profits from asset class that has outperformed
- Flexible equity investment approach to help capitalize on opportunities across the market spectrum
- Maintains high credit quality fixed income allocation
- Proven performance track record

Fund NAV vs Benchmark



Who is this fund suitable for?

- ❖ Investors looking for long term wealth creation with relatively lower risk compared to pure equity strategy
- ❖ The Fund could also help investors planning for their long term financial goals such as retirement, children's education, etc.
- ❖ Investors seeking a product that can help maintain asset allocation in a tax efficient manner
- ❖ Investors having investment horizon of more than 3-5 years

Performance in SEBI Format (as of 31.07.2018)

	CAGR Returns (%) Period			Date of inception of scheme	Since inception	
	1 Year	3 Years	5 Years		CAGR Return (%)	PTP Return* (in Rs.)
LTHEF - Reg - Growth	5.15	9.93	19.19	07-Feb-2011	14.00	26663
Benchmark\$	10.27	10.93	15.35		11.63	22778
S&P BSE Sensex TRI^	16.97	11.61	15.80		11.98	23311

Past performance may or may not be sustained in the future. * Point to Point (PTP) Returns in INR show the value of Rs. 10,000/- invested ^Standard Benchmark . \$ A customized benchmark with 70% S&P BSE 200 Index and 30% - CRISIL Short Term Bond Fund Index. Note: As per the SEBI standards for performance reporting, the since inception return is calculated on NAV of Rs.10/- invested at inception. CAGR is compounded annualized. Date of inception is deemed to be date of allotment. Performance of growth option. Performance shown is of Regular Plan. Different plans have different expense structure. Mr. Soumendra Nath Lahiri manages 8 funds, Mr. Karan Desai manages 8 funds and Mr. Shriram Ramanathan manages 10 schemes. **For Product labeling please refer to page 5 of this document.**

For performance of the other schemes managed by the fund managers, please click on the link <https://goo.gl/rlq21D>

L&T Hybrid Equity Fund – Performance across market cycles

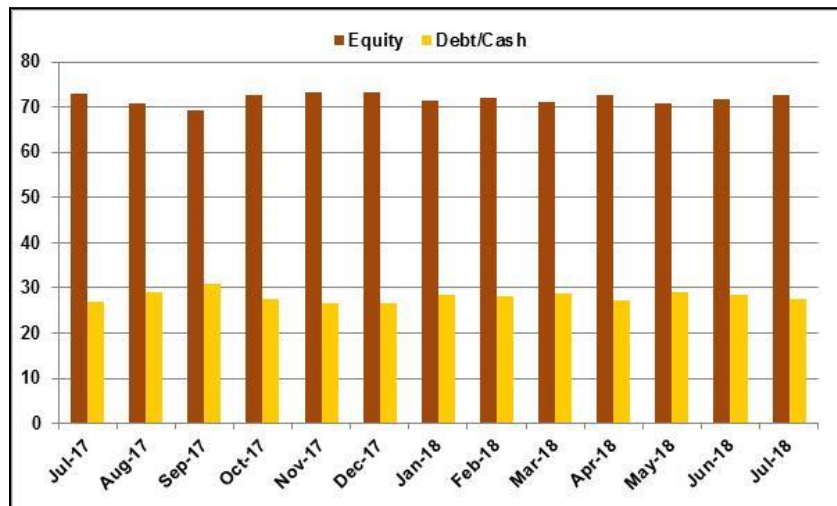
Period	Market Cycle	L&T Hybrid Equity Fund	S&P BSE 200 TRI
07-Feb-11 to 20-Dec-11 (absolute)	↓	-13.2%	-17.0%
20-Dec-11 to 03-Mar-15 (CAGR)	↑	29.4%	26.9%
03-Mar-15 to 25-Feb-16 (absolute)	↓	-10.0%	-20.0%
25-Feb-16 to 25-Oct-16 (absolute)	↑	23.4%	30.1%
25-Oct-16 to 26-Dec-16 (absolute)	↓	-8.1%	-10.4%
26-Dec-16 to 23-Jan-18 (CAGR)	↑	32.0%	42.2%
23-Jan-18 to 20-Aug-18 (absolute)	↓	-1.5%	2.8%
Since Inception to 20-Aug-18 (CAGR)	↑	14.0%	12.9%

- L&T Hybrid Equity Fund owing to its balanced asset allocation strategy and active security selection has managed to limit the downside during market corrections and has also managed to provide decent participation during the upside
- As a result, since its inception till 20-Aug-18, the period which has witnessed a few market cycles, the scheme has managed to outperform a pure equity index like S&P BSE 200 TRI Index

3 Years Rolling Returns (%) (CAGR)	L&T Hybrid Equity Fund	S&P BSE 200 TRI
Average	18.6%	11.7%
Minimum	6.6%	-3.3%
Maximum	27.7%	32.8%

- The above rolling return analysis also demonstrates the Fund's consistent outperformance vis-à-vis its benchmark and S&P BSE 200 TRI Index

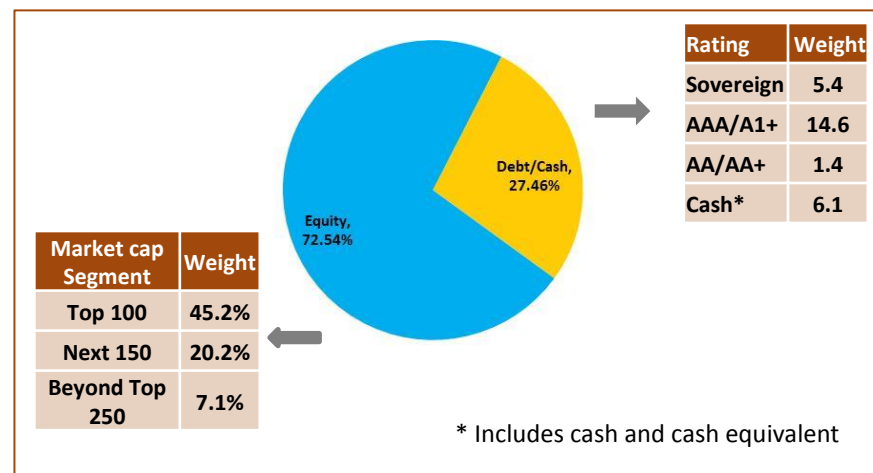
Asset allocation



Top 10 equity holdings as on 31.07.2018

Company	% of Net Assets
Tata Consultancy Services Limited	4.44
HDFC Limited	4.28
HDFC Bank Limited	3.59
Kotak Mahindra Bank Limited	3.43
Larsen & Toubro Limited	2.90
HCL Technologies Limited	2.31
Graphite India Limited	2.18
ITC Limited	2.11
ICICI Bank Limited	2.09
The Ramco Cements Limited	2.07

Credit Quality break up and market cap break up of portfolio as on 31.07.2018



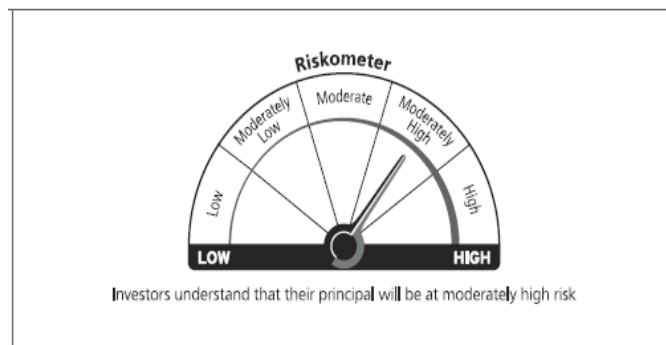
Scheme Features / Fund Facts

- ❖ **Type:** An open-ended hybrid scheme
- ❖ **Scheme Benchmark:** 70% S&P BSE 200 TRI and 30% CRISIL Short Term Bond Fund Index
- ❖ **Fund Manager:** Soumendra Nath Lahiri (Equity), Shriram Ramanathan (Debt) & Karan Desai (for investment in foreign securities)
- ❖ **Exit Load:** If the units redeemed or switched out are upto 10% of the units purchased or switched in ("the limit") within 1 year from the date of allotment: Nil. If units redeemed or switched out are over and above the limit within 1 year from the date of allotment: 1% of Applicable NAV. If units are redeemed or switched out on or after 1 year from the date of allotment: NIL.
- ❖ **Fund Size:** Rs. 10935.86 crores (as on 31.07.2018)

Product Labeling L&T Hybrid Equity Fund ("L&THEF")

This product is suitable for investors who are seeking*:

- Long term capital appreciation and generation of reasonable returns
- Investment in equity and equity-related securities and debt and money market instruments



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

Disclaimer

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

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