



Press Release

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L&T launches its Asset Management operations L&T Mutual Fund to expand its network

Mumbai, Feb 22, 2010: Larsen & Toubro Limited (L&T), the US-dollar 8.5 billion technology, engineering and construction group, with global operations today formally announced the launch of its Asset Management operations here today.

L&T's Financial Services subsidiary, L&T Finance Limited (LTF) has completed the acquisition DBS Chola Mandalam Asset Management Company Limited (DCAM) on receipt of regulatory approvals and completion of exit option to be provided to the investors in the various schemes of DBS-Chola Mutual Fund.

The AMC has been renamed as L&T Investment Management Limited and the fund house has been renamed as L&T Mutual Fund. The fund house with Assets Under Management (AUM) of Rs 2634 crores (as on 18 Feb 2010), offers 18 schemes spread over equity, fixed income and liquid funds.

L&T plans to synergise with its existing Financial Services Businesses and grow the asset management business to be one of the most admired AMCs in the country.

Mr Y M Deosthalee, Whole-time Director & Chief Financial Officer, L & T said, "the complement of L&T's brand, established presence in Financial Services and an experienced team of professionals, will enable the establishment of a successful asset management business and we are keen to provide a suite of products that would be attractive to both retail investors and corporates."

Mr N Sivaraman, Senior Vice President, Financial Services, L&T said," the acquisition of asset management business enlarges the product range and it gives us great pleasure to bring asset management services to the investors as part of L&T group's strategy to offer comprehensive solutions in the financial services segment".

Mr Sanjay Sinha, Chief Executive Officer (CEO), L&T Mutual Fund said," Most of our existing investors have decided to retain their investments with us. It would be our endeavour to offer the best solutions in the mutual fund industry under the able management of L&T group".

The fund house is committed to rope in the vast untapped potential investors' base spread across the country by increasing the network and distribution base in the coming months, Mr Sinha added.

L&T Mutual Fund currently offers 18 schemes as given below:

Equity Schemes: L&T Opportunities Fund, L&T Midcap Fund, L&T Tax Saver Fund, L&T Growth Fund, L&T Multi Cap Fund, L&T Global Advantage Fund, L &T Contra Fund, L&T Hedge Equity Fund & L&T Monthly Income Plan.

Debt Schemes: L&T Triple Ace Fund, L&T Short Term Floating Rate Fund, L&T Gilt Fund, L&T Liquid Fund, L&T Freedom Income-Short Term Fund,& L&T Select Income Fund-Flexi Debt Fund.

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Statutory Details: L&T Mutual Fund has been established as a trust under the Indian Trust Act, 1882 by L&T Finance Limited (liability restricted to the seed corpus of Rs. 1 lakh) with L&T Mutual Fund Trustee Limited as the Trustee Company and L&T Investment Management Limited as the Investment Manager.

Risk Factors: Mutual funds and securities investments are subject to market risks and the NAV of the Schemes of the Fund may go up or down depending upon the factors and forces affecting the securities market. Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the schemes. The sponsor is not responsible or liable for any loss resulting from the operation of the schemes beyond the initial contribution of Rs. 1 lakh made by it towards setting up the Fund. Please read the Scheme Information Document and Statement of Additional Information carefully before investing. Schemes specific risk factors: The names of the Schemes/Plans do not in any manner indicate either the quality or its future prospects and returns. There can be no assurance that the objectives of the Schemes/ Fund's will be achieved. Mutual Fund Units involve investment risks including the possible loss of principal, Returns Risk, Performance Risk, Liquidity & Settlement Risk, Credit Risk, Interest Rate Risk, Security Specific Risk etc.

Investment objective and classification: **L&T Opportunities Fund (an Open Ended Growth Fund):** The Scheme will invest mainly to generate long term capital appreciation from a diversified portfolio of equity and equity related securities. The fund will invest in a universe of stocks, which will be identified using fundamental analysis. The fund will invest in a portfolio of both value and growth stocks. The strategy will be to build up diversified portfolio of quality stocks, with medium to long term potential. **L&T Hedged Equity Fund (an Open Ended Equity Scheme):** To generate long term capital appreciation by investing in equity, equity related and derivative instruments. The fund seeks to minimize risk by use of hedging instruments such as index and stock derivative instruments. The aim is to generate returns with a lower volatility. **L&T Midcap Fund (an open-ended equity scheme):** To generate capital appreciation by investing primarily in midcap stocks. The scheme will invest primarily in companies whose market capitalization falls between the highest and the lowest constituent of the CNX Midcap Index. **L&T Growth Fund (an open ended growth fund):** To generate long term capital appreciation income through investment in equity and equity related instruments; the secondary objective is to generate some current income and distribute dividend. **L&T Tax Saver Fund (an Open Ended Equity Linked Tax Savings Scheme):** To provide long term capital appreciation by investing predominantly in equity and equity

related instruments and also enabling investors to get income tax rebate as per the prevailing Tax Laws and subject to applicable condition. **L&T Multi-Cap Fund (an open ended equity scheme):** To provide long term capital appreciation by investing in a well-diversified portfolio of equity & equity related instruments across all ranges of market capitalization. **L&T Contra Fund (an open-ended equity scheme):** To generate capital appreciation by investing in equity and equity related instruments by using a 'contrarian strategy'. Contrarian investing refers to buying into fundamentally sound scripts which have underperformed / not performed to their full potential in their recent past. **L&T Global Advantage Fund (an open ended equity scheme):** To provide long term capital appreciation and/or income distribution by investing predominantly in equity/equity related instruments of Indian companies with export competitiveness and Indian companies which have or which are expanding their business in global markets. **L&T Tax Advantage Fund - Series I (a 10 years close ended Equity Linked Saving Scheme, subject to a lock in for a period of three years from date of allotment):** To generate long-term capital growth from a diversified portfolio of predominantly equity and equity-related securities and also enabling investors to get income tax rebate as per the prevailing Tax Laws and subject to applicable conditions. **L&T Infrastructure Fund (a 3 years close ended equity fund with an automatic conversion into an open ended scheme on expiry of 3 years from the date of allotment):** To generate capital appreciation by investing predominantly in equity and equity related instruments of companies in the infrastructure sector. **L&T Small Cap Fund (a 3 years close ended equity fund with an automatic conversion into an open ended scheme on expiry of 3 years from the date of allotment):** To generate long term capital appreciation by investing predominantly in equity and equity related instruments of companies with "small market capitalization". "Small - cap companies for the purpose of this Fund, are companies whose market capitalization is in between the highest and lowest market capitalization of small-cap companies on BSE Small Cap Index at the time of investment." **L&T Triple Ace Fund (an open ended pure income scheme):** To generate regular and stable income for the unit holders of the Scheme. The corpus of the scheme would be invested primarily in debt market securities such as non-convertible debentures, bonds issued by corporates, bank and government, commercial paper, certificate of deposits and other money market instruments. The scheme would invest predominantly in securities rated by the Credit Rating and Information Services of India Limited (CRISIL), or any other rating agency. **L&T Freedom Income Short Term Fund (an open ended pure income scheme):** To generate reasonable and stable income and provide liquidity to the unit holder. To achieve this objective the scheme will invest predominantly in a well diversified and highly liquid portfolio of money market instruments, government securities and corporate debt. The scheme will not invest in equities or equity related instruments. **L&T Short Term Floating Rate Fund (an open ended income scheme):** The primary objective of the scheme 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, Government securities and money market instruments. **L&T Liquid Fund (an open ended high liquidity income fund):** To generate reasonable returns while maintaining safety and providing the investor superior liquidity. To achieve this objective, investments will be predominantly made in a well-diversified and highly liquid portfolio of money market instruments, government securities and corporate debt. **L&T Monthly Income Plan (an open ended income scheme with no assured returns):** the primary investment objective is to generate monthly income through investments in a range of Debt, Equity and Money Market Instruments. Income will be distributed only if the same is earned by the scheme and there can be no assurance that the objective of the scheme will be realized. **L&T Gilt Fund (an open ended dedicated Gilt scheme):** To generate returns from a portfolio by investments in government securities. **L&T Select Income Fund-Flexi Debt Fund (an open ended income scheme):** The Scheme seeks to generate regular returns

and capital appreciation by investing in debt (including securitized debt), government and money market securities.

Terms of Issue: Units of the Schemes are being offered at NAV based prices, subject to the prevailing loads. The AMC calculates and publishes NAVs and offers for sale, redemption and switch outs, units of the Schemes on all Business Days, at the Applicable NAV of the Schemes (except L&T Infrastructure Fund and L&T Small Cap Fund). In case of L&T Infrastructure Fund and L&T Small Cap Fund, the units can be redeemed on last Wednesday of each quarter end. In case of L&T Tax Saver Fund and L&T Tax Advantage Fund – Series I, the units can be redeemed only after expiry of lock-in period of 3 years from the date of allotment. Scheme Information Document, Statement of Additional Information, Key Information Memorandum and Application Forms are available at Mutual Fund Branches / Mutual Fund website at www.Intmf.com / Investor Service Centres / Distributors.

Ratings by Value Research (29th Jan 10)	L & T Monthly Income Plan ★ ★ ★ ★ ★ L & T Freedom Income ★ ★ ★ ★ L & T Liquid Super Inst. ★ ★ ★ ★ L & T Opportunities ★ ★ ★ ★ L & T Midcap Fund ★ ★ ★
Economic Times Intelligence Group : (July 09 to Sept 09 Quarter)	L & T Opporthunities Fund <u>“A Platinum Medal Winner”</u> L & T Monthly Income Plan <u>“A Gold Medal Winner”</u> L & T Midcap Fund <u>“A Silver Medal Winner”</u>