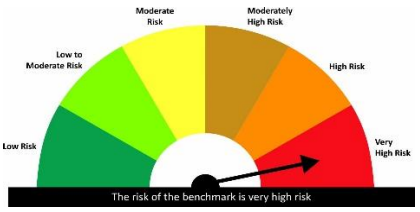
multi asset, multi manager

# SCHEME INFORMATION DOCUMENT

## SECTION I

**quant Multi Cap Fund (Formerly known as quant Active Fund)**
(A Multi Cap Fund - An open-ended equity scheme investing across Large Cap, Mid Cap and Small Cap stocks)

## PRODUCT LABELLING

| This product is suitable for investors who are seeking*: | Scheme Riskometer | Benchmark Riskometer |
|---|---|---|
| • To generate Capital appreciation.<br>• To invest in a portfolio of Large Cap, Mid Cap and Small Cap Companies. | |  <br>**As per AMFI Tier I Benchmark -** NIFTY 500 Multicap 50:25:25 TRI |

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

The above risk-o—meter is based on the scheme portfolio as on June 30, 2026.

Continuous offer for Units at NAV based prices

| | |
|---|---|
| Name of Mutual Fund: | quant Mutual Fund |
| Name of Asset Management Company: | quant Money Managers Limited |
| Name of Trustee Company: | quant Capital Trustee Limited |
| Address, Website of the entities: | 6th Floor, Sea Breeze Building, AppaSaheb Marathe Marg, Prabhadevi, Mumbai – 400 025.<br>www.quantmutual.com |
| Name of Sponsor: | quant Capital Finance and Investments Private Limited |

**The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 2026, (herein after referred to as SEBI (MF) Regulations) as amended till date and circulars issued thereunder 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 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 / Website / Distributors or Brokers.

**The investors are advised to refer to the Statement of Additional Information (SAI) for details of quant Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on** www.quantmutual.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.**

**The Scheme Information Document (Section I and II) should be read in conjunction with the SAI and not in isolation.**

This Scheme Information Document is dated July 06, 2026.

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**SECTION I**
**Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME**

| Sr. No. | Title | Description |
|---|---|---|
| **I.** | **Name of the scheme** | quant Multi Cap Fund (Formerly known as quant Active Fund) |
| **II.** | **Category of the Scheme** | Equity Schemes - Multi Cap Fund |
| **III.** | **Scheme type** | An open ended equity scheme investing across Large Cap, Mid Cap and Small Cap stocks. |
| **IV.** | **Scheme code** | QNTM/O/E/MCF/01/02/0004 |
| **V.** | **Investment objective** | The primary investment objective of the scheme is to seek to generate capital appreciation & provide long-term growth opportunities by investing in a portfolio of Large Cap, Mid Cap and Small Cap companies.<br><br>There is no assurance that the investment objective of the Scheme will be achieved. |
| **VI.** | **Liquidity/listing details** | The Scheme offers Units for Subscription and Redemption at NAV based prices on all Business Days. Under normal circumstances the AMC shall dispatch the redemption proceeds within three working days from date of receipt of valid redemption request from the Unit holder.<br><br>The Trustee reserves the right to list the units as and when considered necessary in the interest of Unit holders of the Fund. |
| **VII.** | **Benchmark (Total Return Index)** | NIFTY 500 Multicap 50:25:25 TRI<br><br>**Justification of Benchmark:** The scheme is a Multi cap fund investing across Large, Mid and Small Cap stocks. NIFTY 500 Multicap 50:25:25 TRI has an optimal blend of Large, Mid & Small sized businesses and hence is an appropriate benchmark for the fund.<br><br>The Trustee/AMC reserves the right to change the benchmark for the evaluation of the performance of the Scheme from time to time, keeping in mind the investment objective of the Scheme and the appropriateness of the benchmark, subject to SEBI guidelines and other prevalent guidelines. |
| **VIII.** | **NAV disclosure** | The AMC will calculate and disclose the NAVs on all Business Days. The AMC shall update the NAVs on website of the Association of Mutual Funds in India - AMFI (www.amfiindia.com ) before 11.00 p.m. on every Business Day and shall also update the NAVs on the website of AMC (www.quantmutual.com) before 11.00 p.m. on every Business Day.<br><br>**In case, the investment strategy invests in ETCDs:**<br>In case of the scheme invests in ETCDs, the NAV of the scheme shall be updated on each Business Day by the AMC on the website (www.amfiindia.com)and on the website of AMFI (www.quantmutual.com) by 09:00 a.m. of the following calendar day. Further Details in Section II. |

| | | |
|---|---|---|
| **IX.** | **Applicable timelines** | Timeline for:<br>**Dispatch of redemption proceeds**<br><br>Within 3 working days of the receipt of valid redemption request at the Official Points of Acceptance of quant Mutual Fund for this Scheme or within such timelines as may be prescribed by SEBI / AMFI from time to time in case of exceptional circumstances or otherwise.<br><br>**Dispatch of IDCW (if applicable)**<br>The payment of dividend/IDCW to the unitholders shall be made within seven working days from the record date or as per timelines prescribed by SEBI/AMFI from time to time. |
| **X.** | **Plans and Options**<br>Plans/Options and sub options under the Scheme | Investors are offered the following Investment Plan(s) to invest in the Scheme:<br>The scheme offers Regular Plan and Direct Plan.<br><br>**Direct Plan**<br>Direct Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.<br><br>**Regular Plan**<br>Regular Plan is available for all type of investors investing through a Distributor.<br><br>All the plans will have common portfolio.<br>**Options under each Plan(s)**<br>Growth<br>Income Distribution cum Capital Withdrawl (IDCW) (Payout and Re-Investment Facility)<br><br>Under the IDCW option, facility for Payout of Income Distribution cum capital withdrawal option (IDCW Payout) & Reinvestment of Income Distribution cum capital withdrawal option (IDCW Re-investment) is available. Between “Growth” or “IDCW” option, the default will be treated as “Growth”. In “IDCW” option between “IDCW Payout” or “IDCW Reinvestment”, the default will be treated as “IDCW Reinvestment”.<br><br>For detailed disclosure on default plans and options, kindly refer SAI. |
| **XI.** | **Load Structure** | For redemptions / switch outs (including SIP/STP) within 15 days from the date of allotment of units, irrespective of the amount of investment: 1%<br><br>No exit load shall be applicable on switches from Regular Plan to Direct Plan and vice versa, under the same scheme. |
| **XII.** | **Minimum Application Amount/switch in** | On continuous basis: Rs.5,000/- and in multiples of Re.1/- thereafter |
| **XIII.** | **Minimum Additional Purchase Amount** | Rs.1,000/- and in multiples of Re.1/- thereafter |

| | | |
|---|---|---|
| **XIV.** | **Minimum Redemption/switch out amount** | Rs.1/- or the unit balance whichever is less |
| **XV.** | **New Fund Offer Period** This is the period during which a new scheme sells its units to the investors. | Not Applicable |
| **XVI.** | **New Fund Offer Price:** This is the price per unit that the investors have to pay to invest during the NFO. | Not Applicable |
| **XVII.** | **Segregated portfolio/side pocketing disclosure** | No Segregated Portfolio Created for this Scheme |
| **XVIII** | **Swing pricing disclosure** | Not Applicable. |
| **XIX.** | **Stock lending/short selling** | The Scheme may engage in stock lending/Short selling.<br><br>For Details, kindly refer SAI |
| **XX.** | **How to Apply and other details** | The Application forms are available at the Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of Mutual Fund or may be downloaded from the website of AMC. The list of the Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of the Mutual Fund is provided on the last page of the SID.<br><br>Details in section II |
| **XXI.** | **Investor services** | **Contact details for general service requests:**<br><br>Investors can lodge any service request or complaints or enquire about NAVs, Unit Holdings, IDCW, etc by calling the Investor line of the AMC at "022-6295 5000" on any business day between 9.30 am - 5.00 pm or email help.investor@quant.in.<br><br>**Contact details for complaint resolution:**<br>Investors can write to<br>Ms. Sudha Biju,<br>Chief Investor Relation Officer,<br>quant Money Managers Ltd.<br>6th Floor, Sea Breeze Building,<br>Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025<br>Tel No. (Board):- 022-6295 5000<br>E-mail Id- help.investor@quant.in<br><br>For any grievances with respect to transactions through NSE/BSE, the investors/Unit Holders should approach the investor grievance cell of the stock exchange. |
| **XXII** | **Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)** | No specific attribute of this scheme. |
| **XXIII** | **Special product/facility** | **The facilities offered under the Scheme are as follows:** |

**available during the NFO and on ongoing basis**

A. Systematic Investment Plan (SIP)
B. Systematic Transfer Plan (STP)
C. Systematic Withdrawal Plan (SWP)
D. Switching
E. Transfer of Income Distribution cum Capital Withdrawal plan (IDCW)
F. OTM – One Time Mandate ('Facility')

**A.Systematic Investment Plan (SIP)**

SIP is a facility enabling investors to save and invest in the Scheme at frequency/dates prescribed by the Mutual Fund, by submitting post-dated cheques / payment instructions.

| Frequency under SIP Facility | Minimum Instalments | Minimum SIP amount |
|---|---|---|
| Weekly | 6 Instalments | Rs. 1000/- and in multiple of Re. 1/- thereafter. |
| Fortnightly | 6 Instalments | Rs. 1000/- and in multiple of Re. 1/- thereafter. |
| Monthly | 6 Instalments | Rs. 1000/- and in multiple of Re. 1/- thereafter. |
| Quarterly | 6 Instalments | Rs. 3000/- and in multiple of Re. 1/- thereafter. |

**B.Systematic Transfer Plan (STP)**

STP is a facility given to the Unit holders to transfer sums on periodic basis from one scheme to another schemes launched by the Mutual Fund from time to time by giving a single instruction.

| Frequency under STP Facility | Minimum Instalments | Minimum STP amount |
|---|---|---|
| Daily | 6 Instalments | Rs. 1000/- and in multiple of Re. 1/- thereafter. |
| Weekly | 6 Instalments | Rs. 1000/- and in multiple of Re. 1/- thereafter. |
| Fortnightly | 6 Instalments | Rs. 1000/- and in multiple of Re. 1/- thereafter. |
| Monthly | 6 Instalments | Rs. 1000/- and in multiple of Re. 1/- thereafter. |
| Quarterly | 6 Instalments | Rs. 5000/- and in multiple of Re. 1/- thereafter. |

**C.Systematic Withdrawal Plan**

SWP is a facility enabling the unit holders to withdraw amount from

the Scheme at a frequency prescribed by the Mutual Fund from time to time, by giving a single instruction to the Mutual Fund. There are two options available under SWP viz - Monthly option and Quarterly option.

| Frequency under SWP Facility | Minimum Instalments | Minimum SWP amount |
|---|---|---|
| Monthly | 6 Instalments | Rs. 1000/- and in multiple of Re. 1/- thereafter. |
| Quarterly | 6 Instalments | Rs. 1000/- and in multiple of Re. 1/- thereafter. |

**SIP Pause Facility:**
SIP Pause facility gives option to pause the SIP for a period up to 3 months in a respective scheme.

For further details of above special products / facilities, investors/ unit holders are kindly requested to refer to SAI.

**D.Switching**
A switch has the effect of redemption from one scheme/ plan/option and a purchase in the other scheme/plan/ option to which the switching has been done. To effect a switch, a Unit Holder must provide clear instructions. Such instructions may be provided in writing or by completing the transaction slip/form attached to the account statement. The switch request can be made for any amount of Rs. 1,000/- or more. A Unit Holder may request switch of a specified amount or a specified number of Units only. If the Unit Holder has specified both the amount (in Rs.) and the number of Units, switch-out of units will be carried out based on the number of units specified by the Unit Holder.

**E. Transfer of Income Distribution cup Capital Withdrawal**
Unit holders under the Regular Plan/Institutional Plan & Direct Plan (wherever applicable) and IDCW Options(s) (other than Daily IDCW Reinvest sub-option) of all the open ended Scheme of the Mutual Fund can opt to transfer their IDCW to any other option under the Regular Plan/ Institutional Plan & Direct Plan (wherever applicable) (other than Daily IDCW Reinvest sub- option) of all the open- ended Scheme of the Mutual Fund by availing the facility of IDCW Transfer Plan

**F.OTM – One Time Mandate ('Facility')**
This Facility enables the Unit Holder/s of quant Mutual Fund ('Fund') to transact with in a simple, convenient and paperless manner by submitting OTM - One Time Mandate registration form to the Fund which authorizes his/her bank to debit their account up to a certain specified limit per day, as and when they wish to transact with the Fund, without the need of submitting cheque or fund transfer letter with every transaction thereafter.

**Stock Exchange Infrastructure Facility:**

The investors can subscribe to the Units of the Scheme through Mutual Fund Service System ("MFSS") platform of National Stock

| | | |
|---|---|---|
| | | Exchange and “BSEStAR MF” platform of Bombay Stock Exchange Ltd.<br><br>**MF Utility (MFU):**<br><br>Investor can also subscribe to the Units of the Scheme through MFU which allows transacting in multiple Schemes of various Mutual Funds with a single form / transaction request and a single payment instrument / instruction. The list of Point of Services of MFUI is published on the website of MFUI at www.mfuindia.com and may be updated from time to time.<br><br>**RTA Facility:**<br><br>The investors can subscribe to the Units of the Scheme through RTA’s website i.e. www.kfintech.com/ and mobile application of RTA i.e. ‘KFinKart’<br><br>**AMC Website**<br>The investors can subscribe to the Units of the Scheme through AMC website i.e. https://invest.quantmutualfund.com/ |
| **XXIV.** | **Weblink** | **TER for last 6 months / Daily TER:**<br>For details, please refer our website:<br>https://quantmutual.com/statutory-disclosures<br><br>**Scheme Factsheet:**<br>For details, please refer our website:<br>https://quantmutual.com/downloads/factsheet |

## DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

(i) The Scheme Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations,2026 and the guidelines and directives issued by SEBI from time to time.
(ii) All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
(iii) The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.
(iv) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.
(v) The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct
(vi) A confirmation that the AMC has complied with the compliance checklist applicable for Scheme Information Documents and other than cited deviations/ that there are no deviations from the regulations
(vii) Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations,2026 and the guidelines there under shall be applicable.
(viii) The Trustees have ensured that the quant Multi Cap Fund approved by them is a new product offered by quant Mutual Fund and is not a minor modification of any existing scheme/fund.

Sd/-

**Date:** July 06, 2026
**Place:** Mumbai

**Name:** Sandeep Tandon
**Designation:** Director

## Part II. INFORMATION ABOUT THE SCHEME

### A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances the asset allocation will be:

| Instruments | Indicative allocations (% of total assets) | |
|---|---|---|
| | Minimum | Maximum |
| Equity and equity related instruments of Large Cap Companies | 25 | 50 |
| Equity and equity related instruments of Mid Cap Companies | 25 | 50 |
| Equity and equity related instruments of Small Cap Companies | 25 | 50 |
| Debt & Money Market instruments | 0 | 25 |
| Units issued by InvITs | 0 | 10 |
| **Residual Portion*:** Gold and Silver instruments subject to the ceilings laid out in MF Regulations. | 0 | 25 |

Investment universe of "Large Cap", "Mid Cap" and "Small Cap" will be as per clause 3.9 of SEBI Master Circular for Mutual Funds dated March 20,2026 and as defined by SEBI/AMFI from time to time. The list of stocks of "Large Cap", "Mid Cap" and "Small Cap" companies prepared by AMFI in this regard will be adopted.

List of "Large Cap", "Mid Cap" and "Small Cap" companies prepared by AMFI in this regard will be adopted. The said list would be uploaded on the AMFI website and would be updated every six months based on the data as on the end of June and December of each year or periodically as specified by SEBI. Subsequent to any updation in the said list, the portfolio of the Scheme will be rebalanced within a period of one month.

The Scheme retains the flexibility to invest across all the securities in the debt and money markets as permitted by SEBI / RBI from time to time, including schemes of mutual funds.

*In line with paragraph 3.7.2 of SEBI Master Circular for Mutual Funds dated March 20,2026, 'Residual portion' refers to the part of a scheme's corpus not invested in its main , core asset classes as provided in the scheme characteristics and in line with paragraph 3.8.1(c) of SEBI Master Circular for Mutual Funds dated March 20,2026, the scheme may invest residual portion in equity ,money market instruments and other liquid instruments, gold and silver instruments as permitted by the Board and in InvITs, subject to the ceilings laid out in MF Regulations with respect to the respective asset class.

As per clause 13.18 of SEBI Master Circular for Mutual Funds dated March 20, 2026, the cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), repo transactions and Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/ assets as may be permitted by SEBI from time to time shall not exceed 100% of the net assets of the Scheme.

As per paragraph 13.18.6 (a) of the SEBI Master Circular on Mutual Funds dated March 20, 2026 , cash and Cash Equivalents having residual maturity of less than 91 days shall not be considered for the purpose of calculating gross exposure limit.

**Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)**

| Sl. no | Type of Instrument | Percentage of exposure | Circular references* |
|---|---|---|---|
| 1. | Securities Lending | Upto 10% | Paragraph 13.6 of SEBI Master Circular for Mutual |

| | | | |
|---|---|---|---|
| | | | Funds dated March 20, 2026 |
| 2. | Equity Derivatives for non- hedging purposes | Upto 50% | Paragraph 13.15 of SEBI Master Circular for Mutual Funds dated March 20, 2026. |
| 3. | Securitized Debt | Upto 10% | Paragraph 13.1(2) of SEBI Master Circular for Mutual Funds dated March 20, 2026 |
| 4. | Overseas Securities | Upto 35% | Paragraph 13.11 of the SEBI Master Circular for Mutual Funds dated March 20, 2026 |
| 5. | InVITS | Upto 10% | Paragraph 13.13.5 of the SEBI Master Circular for Mutual Funds dated March 20, 2026 |
| 6. | Derivatives | The scheme may use 100% of net assets of Equity & Equity related instruments derivative exposure only for hedging purpose. Further, in case of other than hedging purpose, the scheme shall not exceed 50% of net assets.<br>The Scheme may use derivatives for such purposes as maybe permitted by the Regulations, including for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI from time to time. | Paragraph 13.15 & 13.15.2 of SEBI Master Circular dated March 20, 2026 |
| 7. | Repo in Corporate debt securities | The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme or such higher limit as may be specified by SEBI. Further, such investment shall be made subject to the guidelines which may be prescribed by the Board of Directors of the Asset Management Company and Trustee Company. | Paragraph 13.8 of the SEBI Master Circular for Mutual Funds dated March 20, 2026 |
| 8. | Investment in Short Term Deposits | Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of the Scheduled Commercial Banks, subject to the | Paragraph 13.7 of SEBI Master Circular for Mutual Funds dated March 20, 2026 |

| | | | |
|---|---|---|---|
| | | guidelines issued by SEBI from time to time. Investment in liquid schemes or schemes that invest predominantly in money market instruments/ securities will be made for funds pending deployment. | |
| 9. | Credit Default Swaps | The Scheme shall not invest in Credit Default Swaps. | - |
| 10. | Securities with Structured Obligations or Credit Enhancements. | The Scheme does not intend to invest in securities with Structured Obligations or Credit Enhancements. | - |
| 11. | Debt Instruments having Structured Obligation (SO rating) and / or Credit Enhancements (CE rating) and Debt Instruments with special features i.e. Additional Tier I (AT1) / Perpetual Bonds and Tier 2 Bonds. | The Scheme does not intend to invest in debt instruments with special features. | - |

**CHANGES IN ASSET ALLOCATION PATTERN / PORTFOLIO REBALANCING:**

**Short Term Defensive Consideration:**

Subject to SEBI (MF) Regulations 2026, 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. As per Paragraph 3.11.1 of SEBI Master Circular for Mutual Funds dated March 20, 2026, as may be amended from time to time, such changes in the investment pattern will be for short term and for defensive consideration only.

In the event of change in the asset allocation, the fund manager will carry out portfolio rebalancing within 30 calendar days or such other timeline as may be prescribed by SEBI from time to time.

**Portfolio Rebalancing**

**Portfolio Rebalancing (in case of passive breaches):**

In the event of change in the asset allocation due to passive breaches (occurrence of instances not arising out of omission and commission of the AMC), the fund manager is required to carry out portfolio rebalancing within 30 Business Days.

In case the portfolio is not rebalanced within the period of 30 Business Days, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee. The Investment Committee, if it so desires, can extend the timeline for rebalancing up to 60 Business Days from the date of completion of mandated rebalancing period. In case the portfolio of the investment strategy is not rebalanced within the aforementioned mandated plus extended timelines, the AMC shall follow the requirements specified under the aforesaid circular including reporting the deviation to Trustees at each stage.

## B. WHERE WILL THE SCHEME INVEST?

The corpus of the Scheme, subject to the enabling provisions of asset allocation pattern, will be invested in securities/ instruments which will include but not limited to:

1. Equity and Equity Related Instruments of companies / corporations
2. Debt Instruments & Money Market Instruments
3. Securities created and issued by the Central and State Governments
4. Non -Convertible Debentures
5. Securitized Assets
6. Infrastructure Investment Trusts (InvITs)
7. Debt derivative instruments
8. Foreign Securities
9. Short Term Deposits
10. Units of Mutual Fund schemes
11. Gold and Silver Instruments

## C. WHAT ARE THE INVESTMENT STRATEGIES?

The Scheme will invest in a portfolio of Large Cap, Mid Cap and Small Cap companies in line with the investment manager's views on the macro economy with a particular focus on the sentiments of the market participants through the interpretation of quant Money Mangers' predictive analytical tools and macro indicators. The emphasis will be on identifying companies with strong sustainable competitive advantages in good businesses and having sound managements. The fund managers will follow a dynamic investment strategy taking defensive/aggressive postures depending on the the overall risk-on / risk-off environment. In a risk-off environment, the scheme may invest substantially in money market instruments to protect the interest of the investors in the scheme.

In line with SEBIs requirement for Multi cap schemes, the quant Multi Cap Fund will invest a minimum of 25% in equity & equity related instruments of Large Cap companies, 25% in equity & equity related instruments of Mid Cap companies and 25% in equity & equity related instruments of Small Cap companies. The remaining 25% will be invested based on the investment manager's views and accordingly allocated towards Large Cap, Mid Cap, Small Cap stocks and/or debt and money market instruments, other liquid instruments, gold and silver instruments as permitted by SEBI and in InvITs, subject to the ceilings laid out in MF Regulations with respect to the respective asset class.

The portfolio is reviewed consistently on the basis of the macro-economic environment and changes are made based on the data generated by our analytics and on the discretion of the fund manager. The change in the portfolio involves both sale and purchase, both partial and complete, of the existing stocks and purchase of new stocks, if any. In lieu of the overarching risk-on / risk-off environment, the scheme performs a strategic sector rotation in order to generate risk-adjusted returns.

All investment decisions are based on quant money managers' investment framework – VLRT. In the face of this uncertainty and complexity, we have found consistent success by studying markets along four dimensions as opposed to limiting ourselves to any one school of thought: Valuation Analytics, Liquidity Analytics, Risk Appetite Analytics, and Timing.

Valuation Analytics: Knowing the difference between price and value.
Liquidity Analytics: Understanding the flow of money across asset classes.
Risk Appetite Analytics: Perceiving what drives market participants to certain actions and reactions.
Time: Being aware of the cycles that govern how the other three dimensions interact.

The Scheme may invest in overseas financial assets for the purpose of diversification provided they are commensurate with the scheme's objectives, as and when permitted by SEBI/RBI. The value of

investment in financial assets denominated in foreign currencies and domiciled outside India could be adversely affected by fluctuations in exchange rates as well as political risk, exchange controls and investment restrictions overseas.

**Portfolio Construction:**
The portfolio shall be structured so as to keep risk at acceptable levels based on the risk-on / risk-off environment. This shall be done through various measures including:

1. Broad diversification of portfolio.
2. Ongoing review of relevant market, industry, sector and economic parameters.
3. Investing in companies which have been based on the VLRT investment framework.
4. Investments in debentures and bonds will usually be in instruments which have been assigned investment grade ratings by any approved rating agency.

The AMC may, from time to time, review and modify the Scheme's investment strategy if such changes are considered to be in the best interests of the unit holders and if market conditions warrant it. Investments in securities and instruments not specifically mentioned earlier may also be made, provided they are permitted by SEBI/RBI and approved by the Trustee. However, such investments shall be made keeping in view the Fundamental Attributes of the Scheme.

Subject to the SEBI Regulations, the asset allocation pattern indicated above may change from time to time after receiving an approval from SEBI and in line with of SEBI (Mutual Funds) Regulations, 2026, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors.

**Portfolio Turnover Policy:**

Portfolio Turnover is defined as the aggregate of purchases and sales as a percentage of the corpus during the specified period of time. Portfolio Turnover is a term used to measure the volume of trading that occurs in a Scheme's portfolio during a given time period. quant Multi Cap Fund is an actively managed open-ended equity scheme. It is therefore expected that there would be a number of subscriptions and redemptions on a daily basis. Generally, turnover will depend upon the extent of purchase and redemption of units and the need to rebalance the portfolio on account of change in the composition, if any, and corporate actions of securities.

There may be an increase in transaction cost such as brokerage paid, if trading is done frequently. However, it is difficult to estimate with reasonable measure of accuracy, the likely turnover in the portfolio of the Scheme. The Scheme has no specific target relating to portfolio turnover.

For detailed derivative strategies, please refer to SAI.

## D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

NIFTY 500 Multicap 50:25:25 TRI

**Justification of benchmark:**

The scheme is a Multi cap fund investing across Large, Mid and Small Cap stocks. NIFTY 500 Multicap 50:25:25 TRI has an optimal blend of Large, Mid & Small sized businesses and hence is an appropriate benchmark for the fund.

The Trustee/AMC reserves the right to change the benchmark for the evaluation of the performance of the Scheme from time to time, keeping in mind the investment objective of the Scheme and the appropriateness of the benchmark, subject to SEBI guidelines and other prevalent guidelines.

## E. WHO MANAGES THE SCHEME?

| Name & Age | Qualifications | Tenure for Scheme Management | Type & Nature of Past Experience including assignment held during the last 10 years | Other Schemes Managed |
|---|---|---|---|---|
| Mr. Sandeep Tandon<br><br>56 years | MBA in Finance | Managing the scheme since February 03, 2025 | Sandeep is the Founder & Chief Investment Officer of the quant Group and has a vast experience of over 33 years in capital markets. His journey in the money management business started in FY 1992- 93 with GIC mutual fund (a JV partner with George Soros in India) where he was a trainee. He later joined IDBI Asset Management (now Principal Asset Management), where he was a founding member and was part of the core team that initialized the asset management business. He played a key role in devising, conceptualizing and marketing one of India's most successful mutual fund schemes: IDBI I-NITS 95. Furthermore, Sandeep worked in pivotal positions at several reputed financial services firms including ICICI Securities (a JV partner with J P Morgan in India), Kotak Securities (a J V partner with Goldman Sachs in India) and REFCO (erstwhile global derivatives firm). He has also worked at the Economic Times Research Bureau (a research wing of Bennett, Coleman and Company Limited). | • quant Aggressive Hybrid Fund<br>• quant BFSI Fund<br>• quant Business Cycle Fund<br>• quant Commodities Fund<br>• quant Consumption Fund<br>• quant Dynamic Asset Allocation Fund<br>• quant ELSS Tax Saver Fund<br>• quant ESG Integration Strategy Fund<br>• quant Flexi Cap Fund<br>• quant Focused Fund<br>• quant Healthcare Fund<br>• quant Infrastructure Fund<br>• quant Large and Mid Cap Fund<br>• quant Large Cap Fund<br>• quant Manufacturing Fund<br>• quant Mid Cap Fund<br>• quant Momentum Fund<br>• quant Multi Asset Allocation Fund<br>• quant PSU Fund<br>• quant Quantamental Fund<br>• quant Small Cap Fund<br>• quant Teck Fund<br>• quant Value Fund |
| Mr. Ankit Pande<br><br>41 years | Bachelor of Engineering degree (Electronics & Telecommunications) from the University of Pune. | Managing the scheme since May 10, 2020 | Experience of more than 14 years in Indian equities and of over 3 years in software products with Infosys' core banking software, Finacle. Began his career in equity research in 2011, picking up the (U.S. based) CFA charter in 2015 and MBA from The Chinese University | • quant Aggressive Hybrid Fund<br>• quant BFSI Fund<br>• quant Business Cycle Fund<br>• quant Commodities Fund<br>• quant Consumption Fund<br>• quant Dynamic Asset Allocation Fund |

| | | | | |
|---|---|---|---|---|
| | Master's in Business Administration from The Chinese University of Hong Kong<br><br>CFA – Level III | | of Hong Kong in 2017. He won the Thomson Reuters StarMine Award for best stock picker in the IT sector in 2014 and is a lifetime member of the Beta Gamma Sigma Honour society. | • quant ELSS Tax Saver Fund<br>• quant ESG Integration Strategy Fund<br>• quant Equity Savings Fund<br>• quant Flexi Cap Fund<br>• quant Focused Fund<br>• quant Healthcare Fund<br>• quant Infrastructure Fund<br>• quant Large and Mid Cap Fund<br>• quant Large Cap Fund<br>• quant Manufacturing Fund<br>• quant Mid Cap Fund<br>• quant Momentum Fund<br>• quant Multi Asset Allocation Fund<br>• quant PSU Fund<br>• quant Quantamental Fund<br>• quant Small Cap Fund<br>• quant Teck Fund<br>• quant Value Fund |
| Mr. Sanjeev Sharma<br><br>50 years | PGDBA (Fin.), M.Com<br><br>CerTM (Treasury & Forex Risk) | managing the scheme since October 03, 2019 | He has total work experience of more than two decades in equity, debt, fund management and treasury operations. | • quant Aggressive Hybrid Fund<br>• quant Arbitrage Fund<br>• quant BFSI Fund<br>• quant Business Cycle Fund<br>• quant Commodities Fund<br>• quant Consumption Fund<br>• quant Dynamic Asset Allocation Fund<br>• quant ELSS Tax Saver Fund<br>• quant Equity Savings Fund<br>• quant ESG Integration Strategy Fund<br>• quant Flexi Cap Fund<br>• quant Focused Fund<br>• qaunt Gilt Fund<br>• quant Healthcare Fund<br>• quant Infrastructure Fund<br>• quant Large and Mid Cap Fund<br>• quant Large Cap Fund<br>• quant Liquid Fund<br>• quant Manufacturing Fund<br>• quant Mid Cap Fund |

| | | | | |
|---|---|---|---|---|
| | | | | • quant Momentum Fund<br>• quant Multi Asset Allocation Fund<br>• quant Overnight Fund<br>• quant PSU Fund<br>• quant Quantamental Fund<br>• quant Small Cap Fund<br>• quant Teck Fund<br>• quant Value Fund |
| Mr. Sameer Kate<br><br>56 years | • Bachelor of Computer Science - Pune University<br><br>• MBA from IME Pune | Managing the scheme since March 06, 2025 | Sameer has over two decades of experience in Indian equities and derivatives dealing. Prior to joining quant MF, Sameer was Sr. Sales Trader at Investec Capital covering equity and derivatives trading for domestic and foreign institutional clients. He has also worked for over 16 years at Kotak Securities (Institutional Equities) as a Derivatives Sales Trader. | • quant Aggressive Hybrid Fund<br>• quant Arbitrage Fund<br>• quant BFSI Fund<br>• quant Business Cycle Fund<br>• quant Commodities Fund<br>• quant Consumption Fund<br>• quant Dynamic Asset Allocation Fund<br>• quant ELSS Tax Saver Fund<br>• quant Equity Savings Fund<br>• quant ESG Integration Strategy Fund<br>• quant Flexi Cap Fund<br>• quant Focused Fund<br>• quant Healthcare Fund<br>• quant Infrastructure Fund<br>• quant Large and Mid Cap Fund<br>• quant Large Cap Fund<br>• quant Manufacturing Fund<br>• quant Mid Cap Fund<br>• quant Momentum Fund<br>• quant Multi Asset Allocation Fund<br>• quant PSU Fund<br>• quant Quantamental Fund<br>• quant Small Cap Fund<br>• quant Teck Fund<br>• quant Value Fund |
| Mr. Varun Pattani<br><br>30 years | Chartered Accountant | Managing the scheme since February 19, 2025 | Varun after working briefly at an investment advisory firm, joined quant Mutual Fund in May 2021 as an Investment Analyst. With a | • quant Aggressive Hybrid Fund<br>• quant BFSI Fund<br>• quant Business Cycle Fund |

| | | | | |
|---|---|---|---|---|
| | | | strong commitment to a sector agnostic learning approach, he is deeply passionate about identifying investment opportunities and his analytical acumen and forward thinking approach has consistently delivered results. Over the past five years, Varun has cultivated a comprehensive and multi dimensional expertise in active fund management. His skill set includes macroeconomic research, sector and stock analysis, money flow assessments, primary market deal evaluations, and decoding medium to long-term market cycles using historical and macroeconomic data. | • quant Commodities Fund<br>• quant Consumption Fund<br>• quant Dynamic Asset Allocation Fund<br>• quant ELSS Tax Saver Fund<br>• quant Equity Savings Fund<br>• quant ESG Integration Strategy Fund<br>• quant Flexi Cap Fund<br>• quant Focused Fund<br>• quant Healthcare Fund<br>• quant Infrastructure Fund<br>• quant Large and Mid Cap Fund<br>• quant Large Cap Fund<br>• quant Manufacturing Fund<br>• quant Mid Cap Fund<br>• quant Momentum Fund<br>• quant Multi Asset Allocation Fund<br>• quant PSU Fund<br>• quant Quantamental Fund<br>• quant Small Cap Fund<br>• quant Teck Fund<br>• quant Value Fund |
| Mr. Yug Tibrewal<br><br>31 years | Bachelor of Management studies (B.M.S)<br><br>CFA charterholder | Managing the scheme since March 06, 2025 | Yug Tibrewal is a CFA charterholder with over seven years of diverse experience in financial markets. At quant Mutual Fund, he specializes in liquidity analytics, fundamental research, and portfolio risk mitigation, while overseeing trade execution and analytics. | • quant Aggressive Hybrid Fund<br>• quant Arbitrage Fund<br>• quant BFSI Fund<br>• quant Business Cycle Fund<br>• quant Commodities Fund<br>• quant Consumption Fund<br>• quant Dynamic Asset Allocation Fund<br>• quant ELSS Tax Saver Fund<br>• quant ESG Integration Strategy Fund<br>• quant Flexi Cap Fund<br>• quant Focused Fund<br>• quant Healthcare Fund<br>• quant Infrastructure Fund<br>• quant Large and Mid Cap Fund<br>• quant Large Cap Fund |

| | | | | |
|---|---|---|---|---|
| | | | | • quant Manufacturing Fund<br>• quant Mid Cap Fund<br>• quant Momentum Fund<br>• quant Multi Asset Allocation Fund<br>• quant PSU Fund<br>• quant Quantamental Fund<br>• quant Small Cap Fund<br>• quant Teck Fund<br>• quant Value Fund |
| Ms. Ayusha Kumbhat<br><br>26 years | • CFA – Level III<br>• BSc (Hons) in Economics - University of Warwick<br>• MSc in Behavioural & Experimental Economics - University of East Anglia | Managing the scheme since February 19, 2025 | Ayusha had joined quant Mutual Fund as a Research Analyst and have speciality in investment research, economics and strategy. Her strong analytical foundation and quantitative expertise have significantly contributed to the fund's in-depth economic and strategic investment analysis. She has also led engagement initiatives with portfolio companies to inform investment decisions and has effectively utilized data and AI to enhance processes. | • quant Aggressive Hybrid Fund<br>• quant BFSI Fund<br>• quant Business Cycle Fund<br>• quant Commodities Fund<br>• quant Consumption Fund<br>• quant Dynamic Asset Allocation Fund<br>• quant ELSS Tax Saver Fund<br>• quant Equity Savings Fund<br>• quant ESG Integration Strategy Fund<br>• quant Flexi Cap Fund<br>• quant Focused Fund<br>• quant Healthcare Fund<br>• quant Infrastructure Fund<br>• quant Large and Mid Cap Fund<br>• quant Large Cap Fund<br>• quant Manufacturing Fund<br>• quant Mid Cap Fund<br>• quant Momentum Fund<br>• quant Multi Asset Allocation Fund<br>• quant PSU Fund<br>• quant Quantamental Fund<br>• quant Small Cap Fund<br>• quant Teck Fund<br>• quant Value Fund |
| Jignesh Shah<br><br>54 years | Graduate - Sydenham College of Commerce | Managing the scheme since February 20,2026 | Jignesh brings over three decades of experience in the securities markets, having begun his | • quant Aggressive Hybrid Fund<br>• quant Business Cycle Fund |

| | | | | |
|---|---|---|---|---|
| | and Economics, Mumbai<br><br>CFA - ICFAI | | investment career in 1993. Over this period, he has developed deep expertise across equity, macroeconomic, and commodity markets, shaped by his experience through multiple global market cycles. He has had prior professional engagement with the Quant group and has developed a strong familiarity with its investment philosophy, institutional processes, and disciplined risk management framework. | • quant Flexi Cap Fund<br>• quant Focused Fund<br>• quant Infrastructure Fund<br>• quant Large Cap Fund<br>• quant Manufacturing Fund |

F. **HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?**

quant Multi Cap Fund, an open-ended equity scheme investing across Large Cap, Mid Cap and Small Cap Companies.

Following is the list of existing open – ended Equity Schemes of the fund:

1. quant BFSI Fund
2. quant Business Cycle Fund
3. quant Commodities Fund
4. quant Consumption Fund
5. quant ELSS Tax Saver Fund
6. quant ESG Integration Strategy Fund
7. quant Flexi Cap Fund
8. quant Focused Fund
9. quant Healthcare Fund
10. quant Infrastructure Fund
11. quant Large and Mid cap Fund
12. quant Large Cap Fund
13. quant Manufacturing Fund
14. quant Mid Cap Fund
15. quant Momentum Fund
16. quant PSU Fund
17. quant Quantamental Fund
18. quant Small Cap Fund
19. quant Teck Fund
20. quant Value Fund

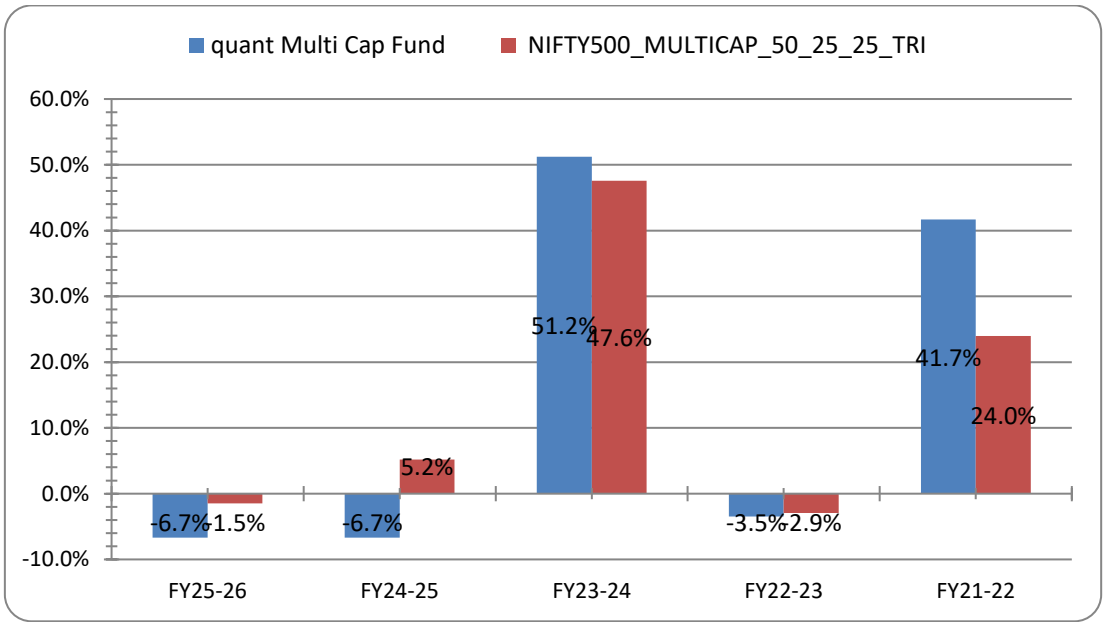
Comparative table of all existing schemes is available on https://quantmutual.com/QuantTransaction/QuantTransaction.html

## G. HOW HAS THE SCHEME PERFORMED?

### Performance of the Scheme (in %) as on March 31, 2026

**Direct Plan**

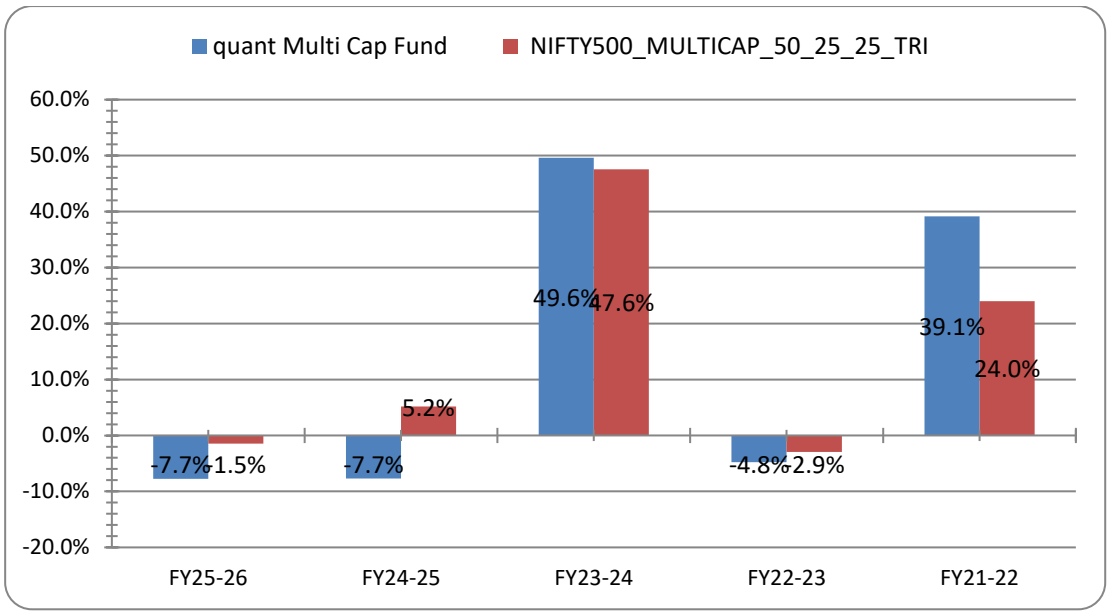
| Compounded Annualised Returns | quant Multi Cap Fund(%) | NIFTY500 MULTICAP 50:25:25 TRI (%) |
|---|---|---|
| Returns for last 1 year | -7.17% | -2.53% |
| Returns for last 3 year | 10.30% | 15.41% |
| Returns for last 5 year | 13.72% | 13.75% |
| Returns since inception | 16.99% | 14.04% |




**Regular Plan**

| Compounded Annualised Returns | quant Multi Cap Fund | NIFTY500 MULTICAP 50:25:25 TRI |
|---|---|---|
| Returns for last 1 year | -8.21% | -2.53% |
| Returns for last 3 year | 9.09% | 15.41% |
| Returns for last 5 year | 12.25% | 13.75% |
| Returns since inception | 17.30% | - |

As the scheme was launched before the launch of the benchmark index, benchmark index figures since inception or the required period are not available.




## H. ADDITIONAL SCHEME RELATED DISCLOSURES

i. Scheme's portfolio holdings - Top 10 holdings by issuer and fund allocation towards various sectors is available on quantmutual.com/downloads/factsheet

ii. Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/index funds through a functional website link that contains detailed description – Not Applicable

iii. Functional website link for Portfolio Disclosure – For Monthly Portfolio: quantmutual.com/statutory-disclosures

iv. Functional website link to the respective addendums to the SID after the last update of SID - https://quantmutual.com/downloads/addendum

v. Portfolio Turnover Rate as on 31.03.2026: 2.61 times

vi. Aggregate investment as on March 31, 2026 in the Scheme by:

| Sr. No. | Category of Persons | Net Value | | Market Value ( in Rs.) |
|---|---|---|---|---|
| | Name of Fund Manager | Units | NAV per unit | |
| 1. | Sandeep Tandon | 248.31 | 589.05 | 146,267.49 |
| 2. | Ankit Pande | 353.95 | 589.05 | 2,08,498.12 |
| 3. | Varun Pattani | 115.70 | 589.05 | 68,150.64 |
| 4. | Ayusha Kumbhat | 55.62 | 589.05 | 32,760.26 |
| 5. | Yug Tibrewal | 141.82 | 589.05 | 83,542.03 |
| 6. | Sameer Kate | 100.69 | 589.05 | 59,309.52 |
| 7. | Sanjeev Sharma | 864.93 | 589.05 | 5,09,490.14 |
| 8. | Jignesh Shah | 71.18 | 589.05 | 41,931.24 |

For any other disclosure w.r.t investments by key personnel and AMC directors including regulatory provisions in this regard kindly refer SAI.

vii. Investments of AMC in the Scheme – Details are available on https://quantmutual.com/statutory-disclosures.
The AMC reserves the right to invest its own funds in the Scheme as may be decided by the AMC from time to time. Under the Regulations, the AMC is not permitted to charge any investment management and advisory services fee on its own investment in the Scheme.

Subject to the Regulations, the AMC may invest either directly or indirectly, in the Scheme during Ongoing Offer Period. However, the AMC shall not charge any investment management fee on such an investment in the Scheme.

As per regulations i.e.sub -regulation 3(a) in Regulation 22 of SEBI (Mutual Funds) Regulations,2026 6('MF Regulations'), the asset management company ('AMs') is required to invest such amount in such scheme(s) of the mutual fund, based on the risk associated with the scheme, as may be specified by SEBI from time to time.

Accordingly, it is decided that based on the risk value assigned to the scheme(s), in terms of Paragragh 6.16 of SEBI Master Circular for Mutual Funds dated March 2026 , the AMC shall invest minimum amount as a percentage of assets under management ('AUM') in their scheme(s) in line with the Paragragh 7.13.1 of SEBI Master Circular for Mutual Funds dated March 2026.

## Part III- OTHER DETAILS

### A. COMPUTATION OF NAV

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

Valuation of Foreign Currency / Securities: On the valuation day, all the assets and liabilities denominated in foreign currency will be valued in Indian Rupees. The valuation price of the security will be converted to INR based on FBIL/any other designated agency, reference rate at the close of banking hours in India. If required, the AMC may change the source of determining the exchange rate. The Fund shall value its investments according to the valuation norms (Valuation Policy includes computation of NAV in case of investment in foreign securities), as specified in the Seventh Schedule of the Regulations, or such guidelines / recommendations as may be specified by SEBI from time to time.

The broad valuation norms, policies w.r.t computation of NAV, rounding off, procedure in case of delay in disclosure of NAV etc are detailed in the SAI.

The Net Assets Value (NAV) of the Units under the Scheme shall be calculated as shown below:

NAV (Rs.) = Market or Fair Value of Scheme's Investments + Current Assets – Current Liabilities and Provision / Number of units outstanding under the Scheme on the Valuation Date

Where the assets include the value of securities and liquid cash. The securities in which the scheme has invested include both equity, debentures, bonds, bills of exchange, commercial paper. It also includes the interest accrued and dividend earned.

The liabilities and expenses include the money payable, interest payable, fund management expenses.

The NAV shall be calculated up to two decimal places. However the AMC reserves the right to declare the NAVs up to additional decimal places as it deems appropriate. Separate NAV will be calculated and disclosed for each Option. The NAVs of the Growth Option and the IDCW Option under each of the Plans will be different after the declaration of the first IDCW.

The AMC will calculate and disclose the NAVs on all the Business Days.

**Illustration on Computation of NAV:**

| Particulars | Amount (Rs) | Asset/ Liability |
|---|---|---|
| Securities | 500,000 | Asset |
| Cash and cash equivalent | 300,000 | Asset |
| Receivables | 200,000 | Asset |
| Accrued Interest | 50,000 | Asset |
| Total Assets | 1,050,000 | - |
| Short-term liabilities | 200,000 | Liability |
| Long-term liabilities | 150,000 | Liability |
| Accrued Expenses | 100,000 | Expense |
| Total Liabilities and expenses | 450,000 | |

| Particulars | Amount (Rs) |
|---|---|
| Total Assets (A) | 1,050,000 |
| Total Liabilities and expenses (B) | 450,000 |
| Net Asset value = (A – B) | 600,000 |
| Total units outstanding | 1,000 |
| NAV per unit | 600 per unit |

Any change in Load structure will be effective on prospective basis and will not affect the existing Unit holder in any manner. The exit load of an open-ended mutual fund scheme shall not exceed three per cent of the Net Asset Value of the scheme. The Purchase Price shall be at applicable NAV.

**Methodology for calculation of sale and re-purchase price of the units of mutual fund scheme:**

Let's assume that the NAV of a Mutual Fund Scheme on April 01, 2018 is Rs. 10/-.

**Purchase of mutual fund units:**

The Purchase Price of the Units on an ongoing basis will be same as Applicable NAV.
Purchase Price = Applicable NAV
In the above example, purchase is done on April 01, 2018, when the Applicable NAV = Rs. 10/-
Therefore, Purchase Price = Rs. 10/-
As per existing Regulations, no entry load is charged with respect to applications for purchase / additional purchase of mutual funds units.

**Redemption/Re-purchase of mutual fund units**

The Redemption Price of the Units will be calculated on the basis of the Applicable NAV subject to prevailing Exit Load, if any. In case of redemption, the amount payable to the investor shall be calculated as follows:
Redemption Price = Applicable NAV * (1 - Exit Load)
Say, in the above example the exit load applicable is:

- For exit on or before 12 months from the date of allotment – 1.00%
- For exit after 12 months from the date of allotment – Nil.

**Scenario 1: Redemption is done during applicability of exit load**

In case the investor requests for redemption on or before 12 months i.e. on or before March 31, 2019; say December 1, 2018, when the NAV of the scheme is Rs. 12/- and the exit load applicable is 1%, so the Redemption amount payable to investor shall be calculated as follows:

Redemption Price = Applicable NAV * (1 - Exit Load)
= Rs. 12 * (1-1%) = Rs. 11.88/-

**Scenario 2: Redemption is done when the exit load is NIL**

In case the investor requests for redemption after 12 months i.e. after March 31, 2019; say April 1, 2019, when the NAV of the scheme is Rs. 12/- and the exit load applicable is NIL, so the Redemption amount payable to investor shall be calculated as follows:

Redemption Price = Applicable NAV * (1 - Exit Load)
= Rs. 12 * (1-0) = Rs. 12/-

The aforesaid example does not take into consideration any applicable statutory levies or taxes. Accordingly, the redemption amount payable to investor shall further reduce to the extent of applicable statutory levies or taxes. For other details such as policies w.r.t computation of NAV, rounding off, investment in foreign securities, procedure in case of delay in disclosure of NAV etc. refer to SAI.

**B. NEW FUND OFFER (NFO) EXPENSES:**

This section does not apply to the Scheme, as the ongoing offer of the Scheme has commenced after the NFO, and the Units are available for continuous subscription and redemption.

**C. ANNUAL SCHEME RECURRING EXPENSES**

All expenses of the scheme shall be clearly identified and shall be paid from the scheme. The expenses shall be subject to the base expense limits, brokerage limits, transaction cost and statutory levy permissible under these regulations.

The base expense ratio ("BER") of the scheme shall be sum of expenses mentioned at sub-regulation (4), sub-regulation (5) and sub-regulation (6) but excluded statutory levy applicable, if any, on the said expenses and transaction cost specified under sub-regulation (10) of Regulation 66 of MF Regulations.The maximum base expense ratio as percentage of daily net assets shall be upto 2.10% per annum.

Total expense ratio ("TER") shall be total of expense charged within the base limit, brokerage cost permitted, transaction cost incurred for the purpose of execution of trade and statutory levies charged to the investors, as may be permitted under the SEBI (Mutual Funds) Regulations 2026 and circulars issued thereunder from time to time.

| **Expense Head** | **% p.a. of daily Net Assets* (Estimated p.a.)** |
|---|---|
| Investment Management and Advisory fees; | Upto 2.10 % |
| Audit fees/fees and expenses of trustees; | |
| Custodial Fees; | |
| Registrar & Transfer Agent Fees including cost of providing account statements / IDCW / redemption cheques/ warrants; | |
| Marketing & Selling Expenses including fees, commission and charges towards distribution of mutual fund schemes; | |
| Costs related to investor communications; | |
| Costs of fund transfer from location to location; | |
| Brokerage & transaction cost pertaining execution of trade; | |
| Cost towards investor education, awareness and financial inclusion | |
| Costs of statutory advertisements; | |
| Such other expenses as may be specified in the Regulations* | |
| **Maximum Base expenses ratio (BER) permissible under Regulation 66** | **Upto 2.10%** |
| Statutory levies (including GST) on all expenses excluding brokerage and transaction cost | GST of 18% or any other rate as may be levied from time to time on the Taxable/Invoice/ Contract amount. Additionally, levies such as Stamp Duty, STT etc. |
| Statutory levies (including GST) on brokerage and transaction cost | Will be charged on Turnover of securities which will be at prescribed rates. |

*Any other expenses which are directly attributable to the Scheme, may be charged with the approval of the Trustee within the overall limits as specified in the Regulations except those expenses which are specifically prohibited.

The total of all expenses i.e. Total Expense Ratio (TER) charged to the investors of the scheme shall be total of expense charged within the base limit specified above, brokerage cost, transaction cost incurred for the purpose of execution of trade and statutory levies charged to the investors, as specified in the Regulations.

Pursuant to Chapter XI on SEBI (Mutual Funds) Regulations read with paragraph 11.9.1 of SEBI Master Circular for Mutual Funds dated March 20, 2026, the AMC shall annually set aside 0.02% of daily net assets of the scheme towards cost of investor education, awareness and financial inclusion initiatives.

The expenses towards Investment Management and Advisory Fees under Regulation 66 (4) and the various sub-heads of recurring expenses mentioned under Regulation 66 (5) of SEBI (MF) Regulations, 2026 can be apportioned under various expense heads/ sub heads without any sub limit, as permitted under the applicable regulations. Thus, there shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 66 (4) and (5) respectively.

In addition to the limits as specified in Regulation 66(7) of SEBI (MF) Regulations, 2026 or the Base Recurring Expenses (Base Expense Limit) as specified above, the following costs or expenses may be charged to the Scheme namely-

• The Scheme may charge expense incurred towards brokerage, for the purpose of execution of trade, over and above the base expense ratio subject to a maximum of 0.06 per cent of trade value in case of cash market transactions and 0.02 per cent of trade value in case of derivatives transactions. Expense charged towards brokerage, over and above the specified limit, shall be part of the base expense ratio limit specified in the Regulations.

• Transaction cost incurred for the purpose of execution of a trade shall mean regulatory levies and any other expenses charged by the stock exchanges, clearing corporation, and clearing house, as applicable. Such transaction costs shall not form part of the base expense ratio.

Within the Total Expense Limit chargeable to the Scheme, GST on investment and advisory fees, brokerage and transaction costs on execution of trades shall be borne by the Scheme.

All fees and expenses charged in a Direct Plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in Regular Plan. Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc. and no commission for distribution of Units will be paid/ charged under Direct Plan.

The recurring expenses of the Scheme (including the Investment Management and Advisory Fees) shall be as per the limits prescribed under the SEBI (MF) Regulations. These are as follows:

| **Assets under management Slab (In Rs. crore)** | **Base expense ratio limits** |
|---|---|
| On the first Rs. 500 crores of the daily net assets | 2.10% |
| On the next Rs. 250 crores of the daily net assets | 1.90% |
| On the next Rs. 1,250 crores of the daily net assets | 1.60% |
| On the next Rs. 3,000 crores of the daily net assets | 1.50% |
| On the next Rs. 5,000 crores of the daily net assets | 1.40% |
| On the next Rs. 40,000 crores of the daily net assets | Total expense ratio reduction of 0.05% for every increase of Rs. 5,000 crores of daily net assets or part thereof. |
| On the balance of the assets | 0.95% |

The base expenses of the Scheme(s) including the investment management and advisory fee shall not exceed the limit stated in Regulation 66 of the SEBI (MF) Regulations and amendments thereto.

All fees and expenses charged in a Direct Plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in Regular Plan. Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc. and no commission for distribution of Units will be paid/ charged under Direct Plan.

All scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily be paid from the scheme only within the regulatory limits and not from the books of the AMC, its associate, sponsor, trustee or any other entity through any route.

***Additional expenses for gross new inflows from specified cities.***

a. In line with the provisions of Paragraph 11.6 of Master Circular dated March 20, 2026, the AMC shall pay additional commission in the following manner:

1. Additional commission is payable to distributors for onboarding new eligible investors as follows:
   a. New individual investors (new PAN) from B-30 cities at the mutual fund industry level;
   b. New women individual investors (new PAN) from both Top 30 and B-30 cities.
2. The structure of additional commission will be as follows:
   • Lumpsum Investments: 1% of amount of the first application subject to a maximum of ₹2,000, provided the investor remains invested for a minimum period of one year.
   • Systematic Investment Plan, 1% of the total investment made during the first year, subject to a maximum of ₹2,000.
3. Additional distribution commission will be paid from the 2 basis points on daily net assets, mandated to be set apart annually by AMCs for investor education, awareness and financial inclusion initiatives and will be subject to adequate claw back provisions.
4. The additional commission will be in addition to the existing trail commission paid to the distributor from the Scheme.
5. Distributor will be eligible to receive additional commission for mobilizing investments from new women investors from Top-30 cities and in cases where the commission for new investments from B-30 cities has not been claimed for the same women investors / investment. Dual incentives for the same investor / investment will not be permitted.
6. Payment of additional commission will be applicable as per stipulated timelines and will subject to implementation standards as may be prescribed by AMFI via email dated December 27, 2025.

All scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily be paid from the scheme only within the regulatory limits and not from the books of the AMC, its associate, sponsor, trustee or any other entity through any route.

Provided that the expenses that are very small in value but high in volume may be paid out of AMC's books. Such expenses can be paid out of AMC's books at actuals or not exceeding 2 bps of respective scheme AUM, whichever is lower. A list of such miscellaneous expenses shall be as provided by AMFI in consultation with SEBI. Such expenses incurred by AMC shall be properly recorded in the books of account of AMC and audited at year end.

**Illustration:**

| Particulars | Regular Plan (Amount in Rs.) | Direct Plan (Amount in Rs.) |
|---|---|---|
| Amount Invested at the beginning of the year | 10,000 | 10,000 |
| Returns before Expenses | 1,500 | 1,500 |

| | | |
|---|---|---|
| Expenses other than Distribution Expenses | 150 | 150 |
| Distribution Expenses | 50 | - |
| Returns after Expenses at the end of the Year | 1,300 | 1350 |
| Returns after Expenses at the end of the Year (in %) | 13% | 13.5% |

**Note:** The above is an approximate illustration of the impact of expense ratio on the returns, where the Gross NAV has been simply reduced to the extent of the expenses. In reality, the actual impact would vary depending on the returns over the period under consideration. Expenses will be charged on daily net assets.

For the actual current expenses being charged to the Scheme, the Investor should refer to the website of the Mutual Fund at www.quantmutual.com/statutory-disclosures.

Any change in the BER in comparison to previous base BER charged to any scheme/plan shall be communicated to investors of the scheme/plan through notice via email or SMS at least three working days prior to effecting such change. Further, the notice of change in BER shall be updated in the aforesaid section of website at least three working days prior to effecting such change.

## D. LOAD STRUCTURE

Exit Load is an amount which is paid by the investor to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, investors may refer to the website of the AMC (www.quantmutual.com) or may call at 022-6295 5000 on any business day between 9.30 am - 5.00 pm or can contact his distributor.

| Type of Load | Load chargeable (as %age of NAV) |
|---|---|
| Exit Load | For redemptions / switch outs (including SIP/STP) within 15 days from the date of allotment of units, irrespective of the amount of investment: 1%<br><br>No exit load shall be applicable on switches from Regular Plan to Direct Plan and vice versa, under the same scheme. |

Units issued on reinvestment of IDCW shall not be subject to Load. No load shall be levied on switches between options and sub-options of the Scheme.

The above mentioned load structure shall be equally applicable to the special products such as switches, STP, SWP, etc. offered by the AMC. Further, for switches between the Growth and IDCW Option, no load will be charged by the Scheme. Furthermore, no exit load shall be applicable on switches from Regular Plan to Direct Plan and vice versa, under the same scheme.

Exit load, if any, charged to the investors will be credited back to the Scheme net of GST. The Investor is requested to check the prevailing Load structure of the Scheme before investing.

For any change in Load structure, AMC will issue an addendum and display it on the website immediately.

Under the Scheme, the AMC/ Trustee reserves the right to change / modify the Load structure if it so deems fit in the interest of smooth and efficient functioning of the Mutual Fund. The AMC/ Trustee reserves the right to introduce / modify the Load depending upon the circumstances prevailing at that time subject to maximum limits as prescribed under the Regulations.

The exit load of an open-ended mutual fund scheme shall not exceed three per cent of the Net Asset Value

of the scheme. Any imposition or enhancement of Load in future shall be applicable on prospective investments only.

At the time of changing the Load Structure:

1. The AMC shall issue an addendum and display the same on its website immediately. The latest applicable addendum shall be part of SID and KIM. (E.g. in case of changes in load structure, the addendum carrying the latest applicable load structure shall be attached to all KIM and SID till it is updated). Further, the account statements shall continue to include applicable load structure.
2. The digital copies of SID shall have a functional website link to the respective addendums to the SID issued after the last update of SID.
3. The addendum shall be sent via email to all the distributors/brokers/Investor Service Centre (ISC), so that the same can be provided along with the SID and KIM till it is updated.
4. Any other measure which the Mutual Fund may consider necessary.

The Trustee/AMC reserves the right to change the load structure subject to the limits prescribed under the Regulations. Any change in load structure shall be only on a prospective basis i.e. any such changes would be chargeable only for Redemptions from prospective purchases (applying first in first out basis).

## SECTION II

## I. INTRODUCTION

### A. DEFINITIONS/INTERPRETATION

https://quantmutual.com/Pdf/Definitions_and_Interpretation.pdf

### B. 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 rate of the securities in which the Scheme invests fluctuates, the value of your investment in the scheme can go up or down depending on various factors and forces affecting capital markets and money markets.
- Past performance of the Sponsor (s)/ AMC/ Mutual Fund does not guarantee the future performance of the Scheme.
- The name of the Scheme does not in any manner indicate its quality or its future prospects and returns. Please refer SAI for details.

**Scheme Specific Risk Factors**

Some of the specific risk factors related to the Scheme includes, 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 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 incurring losses till the security is finally sold.
- 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.

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

- The Net Asset Value (NAV) of the Scheme, to the extent invested in Debt and Money Market instruments, will be affected by changes in the general level of interest rates. The NAV of the Scheme 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 instruments, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the security is finally sold.
- Investments in money market instruments involve credit risk commensurate with short term rating of the issuers.
- Investment in Debt instruments are subject to varying degree of credit risk or default (i.e. the risk of an issuer's inability to meet interest or principal payments on its obligations) or any other issues, which may

have their credit ratings downgraded. Changes in financial conditions of an issuer, changes in economic and political conditions in general, or changes in economic or and political conditions specific to an issuer, all of which are factors that may have an adverse impact on an issuer's credit quality and security values. The Investment Manager will endeavour to manage credit risk through in-house credit analysis. This may increase the risk of the portfolio. The Investment Manager will endeavour to manage credit risk through in-house credit analysis.

- **Prepayment Risk**: Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the Scheme to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the Scheme.
- **Reinvestment Risk**: This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
- **Settlement risk**: Different segments of Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Scheme are uninvested and no return is earned thereon. The inability of the Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme's portfolio, due to the absence of a well developed and liquid secondary market for debt securities, may result at times in potential losses to the Scheme in the event of a subsequent decline in the value of securities held in the Scheme's portfolio.
- 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 would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the Scheme 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, AAA rated bonds are comparatively less risky than AA rated bonds.
- 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 and are subject to issuer default risk. 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. Zero coupon or deep discount bonds are debt obligations that do not entitle the holder to any periodic payment of interest prior to maturity or a specified date when the securities begin paying current interest and therefore, are generally issued and traded at a discount to their face values. The discount depends on the time remaining until maturity or the date when securities begin paying current interest. It also varies depending on the prevailing interest rates, liquidity of the security and the perceived credit risk of the Issuer. The market prices of zero coupon securities are generally more volatile than the market prices of securities that pay interest periodically.

- The Scheme 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) Risks associated with investment in unlisted securities**:

- Except for any security of an associate or group company, the Scheme can invest in securities which are not listed on a stock exchange ("unlisted Securities") which in general are subject to greater price fluctuations, less liquidity and greater risk than those which are traded in the open market. Unlisted securities may lack a liquid secondary market and there can be no assurance that the Scheme will realise their investments in unlisted securities at a fair value.
- Investment in unrated instruments may involve a risk of default or decline in market value higher than rated instruments due to adverse economic and issuer-specific developments. Such investments display increased price sensitivity to changing interest rates and to a deteriorating economic environment. The market values for unrated investments tends to be more volatile and such securities tend to be less liquid than rated debt securities.

**(iv) Risks associated with Repo transactions in Corporate Bonds**

The Scheme may be exposed to counter party risk in case of repo lending transactions in the event of the counterparty failing to honour the repurchase agreement. However, in repo transactions, the collateral may be sold and a loss is realized only if the sale price is less than the repo amount. The risk is further mitigated through over-collateralization (the value of the collateral being more than the repo amount).

**(v) Risks associated with Investing in Structured Obligation (SO) & Credit Enhancement (CE) rated securities**

The risks factors stated below for the Structured Obligations & Credit Enhancement are in addition to the risk factors associated with debt instruments.

- Credit rating agencies assign CE rating to an instrument based on any identifiable credit enhancement for the debt instrument issued by an issuer. The credit enhancement could be in various forms and could include guarantee, shortfall undertaking, letter of comfort, etc. from another entity. This entity could be either related or non-related to the issuer like a bank, financial institution, etc. Credit enhancement could include additional security in form of pledge of shares listed on stock exchanges, etc. SO transactions are asset backed/ mortgage backed securities, securitized paper backed by hypothecation of car loan receivables, securities backed by trade receivables, credit card receivables etc. Hence, for CE rated instruments evaluation of the credit enhancement provider, as well as the issuer is undertaken to determine the issuer rating. In case of SO rated issuer, the underlying loan pools or securitization, etc. is assessed to arrive at rating for the issuer.
- **Liquidity Risk**: SO rated securities are often complex structures, with a variety of credit enhancements. Debt securities lack a well-developed secondary market in India, and due to the credit enhanced nature of CE securities as well as structured nature of SO securities, the liquidity in the market for these instruments is adversely affected compared to similar rated debt instruments. Hence, lower liquidity of such instruments, could lead to inability of the Scheme to sell such debt instruments and generate liquidity for the Scheme or higher impact cost when such instruments are sold.
- **Credit Risk**: The credit risk of debt instruments which are CE rated is based on the combined strength of the issuer as well as the structure. Hence, any weakness in either the issuer or the structure could have an adverse credit impact on the debt instrument. The weakness in structure could arise due to inability of the investors to enforce the structure due to issues such as legal risk, inability to sell the underlying collateral or enforce guarantee, etc. In case of SO transactions, comingling risk and risk of servicer increases the overall risk for the securitized debt or assets backed transactions. Therefore apart from issuer level credit risk such debt instruments are also susceptible to structure related credit risk.

**(vi) Risk factors associated with investment in Tri-Party Repo**

- The MF is a member of securities segment and Triparty Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the MF in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counterparty risks considerably for transactions in the said segments. The members are required to contribute an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL). As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members. Thus the Scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member). CCIL shall maintain two separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses out of any default by its members from Triparty Repo trades. The fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the contribution of the fund is called upon to absorb settlement/default losses of another member by CCIL, as a result the Scheme may lose an amount equivalent to its contribution to the default fund.

**(vii) Risk factors associated with Repo in Corporate Debt Securities**

In repo transactions, also known as a repo or sale repurchase agreement, securities are sold with the seller agreeing to buy them back at later date. The repurchase price should be greater than the original sale price, the difference effectively representing interest. A repo in corporate debt securities is economically similar to a secured loan, with the buyer receiving corporate debt securities as collateral to protect against default. Some of the risks associated with repo in corporate debt are given below:

- **Counterparty Risk**: Counterparty risk refers to the inability of the seller to meet the obligation to buy back securities at the contracted price on the contracted date. In case of over the counter (OTC) repo trades, the investment manager will endeavour to manage counterparty risk by dealing only with counterparties having strong credit profiles. Also, the counter-party risk is to an extent mitigated by taking collateral equivalent in value to the transaction after knocking off a minimum haircut on the intrinsic value of the collateral. In the event of default by the repo counterparty, the Scheme shall have recourse to the corporate debt securities. In case the repo transaction is executed on exchange platform approved by RBI/SEBI, the exchange may also provide settlement guarantee.
- **Collateral Risk**: Collateral risk arises when the market value of the securities is inadequate to meet the repo obligations. This risk can be partly mitigated by restricting participation in repo transactions only in corporate debt securities which are approved by credit risk team. Additionally, to address the risk related to reduction in market value of corporate debt security held as collateral due to credit rating downgrade, the repo contract can incorporate either an early termination of the repo agreement or call for fresh margin to meet the minimum haircut requirement or call for replacement of security with eligible security. Moreover, the investment manager may apply a higher haircut on the underlying security than required as per RBI/SEBI regulation to adjust for the illiquidity and interest rate risk on the underlying instrument. To mitigate the risk of price reduction due to interest rate changes, the adequacy of the collateral can be monitored on a daily basis by considering the daily market value & applying the prescribed haircut. The investment manager or the exchange can then arrange for additional collateral from the counterparty, within a prespecified period. If the counterparty is not able to top-up either in form of cash / collateral, it would tantamount to early termination of the repo agreement, and the outstanding amount can be recovered by sale of collateral.

**(viii) Risk factors associated with investing in Non- Convertible Preference Shares**

- **Credit Risk**: Credit risk is the risk that an issuer will be unable to meet its obligation of payment of dividend and/ or redemption of principal amount on the due date. Further, for non-cumulative preference shares, issuer also has an option to not pay dividends on preference shares in case of inadequate profits in any year.
- **Liquidity Risk**: The preference shares generally have limited secondary market liquidity and thus we may be forced to hold the instrument till maturity.
- **Unsecured in nature** - Preference shares are unsecured in nature and rank lower than secured and unsecured debt in hierarchy of payments in case of liquidation. Thus there is significant risk of capital erosion in case the company goes into liquidation.

**(ix) Risk factors associated with potential change in tax structure**

This summary of tax implications given in the taxation section is based on the current provisions of the applicable tax laws. This information is provided for general purpose only.

The current taxation laws may change due to change in the 'Income Tax Act 1961' or any subsequent changes/amendments in Finance Act/Rules/Regulations. Any change may entail a higher outgo to the scheme or to the investors by way of securities transaction taxes, fees, taxes etc. thus adversely impacting the scheme and its returns.

Investors are advised to consult their own tax advisors with respect to the specific tax and other implications arising out of their participation in the scheme prior to making any transaction.

**(x) General Risk factors**

- Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. 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 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 could, at times, be restricted by trading volumes and settlement periods, the time taken by the Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or restructuring of the Scheme. In view of the above, the Trustee has the right, in its sole discretion, to limit redemptions (including suspending redemptions) under certain circumstances.
- At times, due to the forces and factors affecting the capital market, the Scheme 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. The Scheme may retain certain investments in cash or cash equivalents for its day-to-day liquidity requirements.
- Scheme to be adopted by the Scheme may carry the risk of significant variance between the portfolio allocation of the Scheme and the Benchmark particularly over a short to medium term period.
- 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.

**(xi) Risks associated with Covered Call Strategy**

A call option gives the holder (buyer) the right but not the obligation to buy an asset by a certain date for a certain price. Covered calls are an options strategy where a person holds a long position in an asset and writes (sells) call options on that same asset to generate an income stream. The Scheme may write call

options under covered call strategy, as permitted by the regulations. Risks associated thereto are mentioned below:

**Opportunity cost:** A covered call strategy limits the upside potential of the underlying stock. If the stock rises sharply, the gains above the call option's strike price will be missed out. When the underlying asset's price rises above the strike price, the short call loses its value as much as the underlying stock gains and as a result the upside of the stock always gets capped. Downside risk is reduced by writing covered call options.

**Exit issues / Illiquidity risk:** If the strike price at which the call option contracts have been written become illiquid, the scheme may not be able to sell the underlying equity shares, which can lead to temporary illiquidity of the underlying equity shares and result in loss of opportunity. Also, if covered call options are sold to the maximum extent allowed by regulatory authority, the scheme may not be able to sell the underlying equity shares immediately in case where the view changes to sell and exit the stock. The total gross exposure related to option premium paid and received must not exceed the regulatory limits of the net assets of the scheme. This may restrict the ability of scheme to utilize options strategies. The Scheme may find it difficult or impossible to execute derivative transactions in certain circumstances. For example, when there are insufficient bids or suspension of trading due to price limit or circuit breakers, the Scheme may face a liquidity issue. The Stock Exchange may impose restrictions on exercise of options and may also restrict the exercise of options at certain times in specified circumstances and this could impact the value of the portfolio.

The certain risk factors arising out of a derivative strategy may be as below: - Lack of opportunity available in the market.

**Execution Risk:** The prices which are seen on the screen need not be the same at which execution will take place. Exchanges could raise the initial margin, variation margin or other forms of margin on derivative contracts, impose one sided margin or insist that margins be placed in cash. All of these might force positions to be unwound at a loss and might materially impact returns.

Interest rate swaps and Forward Rate Agreement require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that the derivative adds to the portfolio and the ability to forecast failure of another party (usually referred to as the "counter-party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives, the credit risk where the danger is that of a counter-party failing to honour its commitment, liquidity risk where the danger is that the derivative cannot be sold at prices that reflect the underlying assets, rates and indices, and price risk where the market price may move in adverse fashion.

**(xii) 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 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 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.
- **Taxation Risk:** Investment in Foreign Securities poses additional challenges based on the tax laws of each respective country or jurisdiction. The Scheme may be subject to a higher level of taxes than originally anticipated and or dual taxation. The Scheme may be subject to withholding or other taxes on income and/or gains arising from its investment portfolio. Further, such investments are exposed to risks

associated with the changing / evolving tax / regulatory regimes of all the countries where the Scheme invests. All these may entail a higher outgo to the Scheme by way of taxes, transaction costs, fees etc. thus adversely impacting its NAV; resulting in lower returns to an Investor.

- **Legal and Regulatory Risk**: Legal and regulatory changes could occur during the term of the Scheme which may adversely affect it. If any of the laws and regulations currently in effect should change or any new laws or regulations should be enacted, the legal requirements to which the Scheme and the investors may be subject could differ materially from current requirements and may materially and adversely affect the Scheme and the investors. Legislation/ Regulatory guidelines could also be imposed retrospectively.
- **Country Risk**: The Country risk arises from the inability of a country, to meet its financial obligations. It is the risk encompassing economic, social and political conditions in a foreign country, which might adversely affect foreign investors' financial interests. In addition, country risks would include events such as introduction of extraordinary exchange controls, economic deterioration, bi-lateral conflict leading to immobilisation of the overseas financial assets and the prevalent tax laws of the respective jurisdiction for execution of trades or otherwise.
- To manage risks associated with foreign currency and interest rate exposure, the 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.

**(xiii) Risk factors associated with investing in Derivatives**

- The AMC, on behalf of the Scheme 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.
    - **Credit Risk**:
      The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a derivative transaction
    - **Market Risk:**
      Market movements may adversely affect the pricing and settlement of derivatives.
    - **Illiquidity risk:**
      This is the risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.

**(xiv) Additional Risk viz. Basis Risk** associated with imperfect hedging using Interest Rate Futures (IRF):
The imperfect correlation between the prices of securities in the portfolio and the IRF contract used to hedge part of the portfolio leads to basis risk. Thus, the loss on the portfolio may not exactly match the gain from the hedge position entered using the IRF.

**(xv) 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. The Scheme may not be able to sell lent out securities, which can lead to temporary illiquidity & loss of opportunity.

**(xvi) 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 Bank with Liquidity facility**
  If the Bank with Liquidity facility, becomes subject to bankruptcy proceedings then an investor could experience losses or delays in the payments.
- **Risk of Co-mingling**
  With respect to the Certificates, the Servicer will deposit all payments received from the Obligors 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.

**(xvii) Risk factors associated with investing in gold related instrument**

- The Scheme shall invest in Gold Exchange Traded Funds (Gold ETFs) and other Gold related instruments (including derivatives, Sovereign Gold Bonds etc as and when SEBI/RBI permits). There is no assurance that gold will maintain its long-term value in terms of purchasing power. In the event of price of gold declining, the value of investment in Units of the Scheme is expected to decline proportionately.

- The value (price) of gold may fluctuate for several reasons and all such fluctuations will impact the NAV of Units under the Scheme. The factors that may affect the price of gold, among other things, include demand and supply for gold in India and in the global market, Indian and Foreign exchange rates, Interest rates, Inflation trends, market risks including trading risks in gold as commodity, legal restrictions on the movement/trade of gold that may be imposed by RBI, Government of India or countries that supply or purchase gold to/from India, trends and restrictions on import/export of gold in and out of India, etc.

- Governments, central banks and related institutions worldwide, own a significant portion of the aggregate world gold holdings. If one or more of these institutions decides to sell in amounts large enough to cause a decline in world gold prices, the price/value of units of the Scheme, to the extent invested in gold, will be adversely affected.

**(xviii) Risks associated with investments in Gold ETFs**

To the extent the Scheme's assets are invested in Gold ETFs, the risks associated with the underlying Gold ETFs, will also be applicable. Some of them are explained below:

- **Currency Risk:** The formula for determining NAV of the Units of Gold ETFs is based on the imported (landed) value of gold. Landed value of gold held by Gold ETFs is computed by multiplying international market price by US dollar value. The value of gold or NAV, therefore will depend upon the conversion value of US dollar into Indian rupee and attracts all the risks attached to such conversion.
- **Regulatory Risk:** Any changes in trading regulations by the stock exchange(s) or SEBI may affect the ability of Authorised Participant of Gold ETFs to arbitrage resulting into wider premium/discount to NAV. Any changes in the regulations relating to import and export of gold or gold jewellery (including customs duty, sales tax and any such other statutory levies) may affect the ability of the underlying Gold ETFs to buy/sell gold against the purchase and redemption requests received.

- Units of Gold ETFs may be acquired from the stock exchanges where the price quoted may be at variance with the underlying NAV, resulting in higher acquisition costs.
- **Redemption Risk:** The units issued under the Scheme, when predominantly invested in Gold ETFs, will derive liquidity from the underlying Gold ETF having creation/redemption process in creation unit size of predefined quantity of physical gold (e.g. 1 kg). At times prevailing market conditions may affect the ability of the underlying Gold ETFs to sell gold against the redemption request received.
- Furthermore, the endeavor would always be to get cash on redemptions from the underlying Gold ETFs. However, in case the underlying Gold ETF is unable to sell for any reason, and delivers physical gold, there could be delay in payment of redemption proceeds pending such realization.
- Additionally, the Scheme will derive liquidity from trading units of underlying Gold ETFs on the exchange(s) in the secondary market which may be inherently restricted by trading volumes, settlement periods and transfer procedures. As there is no active secondary market for Gold ETFs, the processing of redemption requests at times may be delayed. In the event of an inordinately large number of redemption requests, or re-structuring of the Scheme's investment portfolio, the processing of redemption requests may be delayed.
- Gold ETFs would ordinarily repurchase Units in Creation Unit Size. Thus Unit holding less than Creation Unit Size can only be sold through the secondary market on the Exchange. Further, the price received upon the redemption of Units of Gold ETFs may be less than the value of the gold represented by them.
- **Market Trading Risks:** Although units of Gold ETFs are listed on recognised stock exchange(s), there can be no assurance that an active secondary market will be developed or be maintained.
- Trading in units of Gold ETFs on the Exchange may be halted because of market conditions or for reasons that in view of the Exchange Authorities or SEBI, trading in units of Gold ETFs is not advisable. In addition, trading in units of Gold ETFs is subject to trading halts caused by extraordinary market volatility and pursuant to the Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements

of the Exchange necessary to maintain the listing of units of Gold ETFs will continue to be met or will remain unchanged.

- Any changes in trading regulations by the Stock Exchange(s) or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/discount to NAV.
- The units of Gold ETFs may trade above or below their NAV. The NAV of Gold ETFs will fluctuate with changes in the market value of that scheme's holdings. The trading prices of units of Gold ETFs will fluctuate in accordance with changes in their NAV as well as market supply and demand for the units of Gold ETF.
- Gold ETFs may provide for the creation and redemption of units in Creation Unit Size directly with the concerned Mutual Fund and therefore, it is expected that large discounts or premiums to the NAV of the units of Gold ETFs will not sustain due to arbitrage opportunity available.

**(xix) Risk associated with investments in Silver ETF's & Silver related instruments**

- **Liquidity Risk:** Trading in units of the ETFs on the Exchange may be halted because of market conditions or for reasons that in view of the Exchange authorities or SEBI, trading in units of the scheme is not advisable. In addition, trading in units is subject to trading halts caused by extraordinary market volatility and pursuant to Stock Exchange(s) and SEBI "circuit filter" rules as applicable from time to time. There can be no assurance that the requirements of the exchange/s necessary to maintain the listing of units of the ETFs will continue to be met or will remain unchanged.
  The ETFs has to sell silver only to bullion bankers/ traders who are authorized to buy silver. Though, there are adequate number of players (commercial or bullion bankers) to whom the Mutual Fund can sell silver. However, the Mutual Fund may have to resort to distress sale of silver if there is no or low demand for silver to meet its cash needs of redemption or expenses.

  **The Lack of an Active Trading Market**

  Although the units are listed and traded on the exchange, there can be no guarantee that an active trading market for the units will be maintained. If there is a need to sell the shares at a time when no active market for them exists, the price that would be received, assuming that sale happens, likely will be lower than the price that would have been received if an active market did exist.

  **Withdrawal from Participation by Market Makers May Affect the Liquidity of Units**

  If one or more Market Makers withdraws from participation, it may become more difficult to create or redeem Creation Units, which may reduce the liquidity of the Units. Such circumstances may be more pronounced in market conditions of increased volatility. If it becomes more difficult to create or redeem Creation Units, the correlation between the price of the Units and the NAV may be affected, which may affect the trading market for the Units.

- **Regulatory Risk**: Any changes in trading regulations by the stock exchange (s) or SEBI may affect the ability of Market Makers/ Large Investor to arbitrage resulting into wider premium/ discount to NAV. Any changes in any other regulation relating to import and export of silver or silver jewellery (including customs duty, sales tax and any such other statutory levies) may affect the ability of the scheme to buy/sell silver against the purchase and redemption requests received.
- **Passive Management of Investments:** Scheme follows a passive investment strategy. The scheme's performance may be affected by the general price decline in the silver prices. The ETFs shall invest in Silver regardless of their investment merit. The ETFs do not aim to take any defensive position in case of falling markets.
- **Active Market:** Although the ETFs will be listed on exchange, there can be no assurance that an active secondary market will be developed or maintained.
- **Risks associated with handling, storing and safekeeping of physical silver:** There is a risk that part or all of the Scheme's silver could be lost, damaged or stolen. Access to the ETF's silver could also be

restricted by natural events or human actions. Any of these actions may have adverse impact on the operations of the scheme and consequently on investment in units.

- **Redemption Risk:** The ETFs would repurchase units in creation unit size only. Thus, if the unit holding is less than the creation unit size then it can be sold only through the secondary market on the exchange where the units are listed, subject to rules and regulations of the Stock Exchange. The AMCs will appoint appoint Market Makers (MMs) to provide liquidity for the units of Silver ETFs in secondary market on an ongoing basis. The Market Maker(s) would offer daily two-way quote (buy and sell quotes) in the market.
- The market price of the ETF unit like any other listed security is largely dependent on two factors viz. the intrinsic value of the unit (or NAV) and demand and supply of the units in the market. Sizeable demand or supply of the units in exchange may lead to market price of the units to quote at premium or discount to NAV. Hence, the units of the scheme may trade above or below the NAV. However, given that the investors can transact with AMC directly beyond the creation unit size of the scheme there should not be a significant variation (large premium or discount) and it may not sustain due to the arbitrage opportunity available.
- The silver price reflects the prices of silver at a point in time, which is the price at close of business day. The ETFs, however, may trade these securities at different points in time during the trading session and therefore the prices at which the scheme trades may not be identical to the closing price of silver.
- **Market Risk:** The value of the Units relates directly to the value of the silver held by the ETFs and fluctuations in the price of silver could adversely affect investment value of the Units. The factors that may affect the price of silver, inter alia, include demand & supply, economic and political developments, changes in interest rates and perceived trends in bullion prices, exchange rates, inflation trends, market movements, movement/trade of silver that may be imposed by RBI, trade and restrictions on import/export of silver or silver jewellery etc. Hence the investor may also lose money due to fluctuation in the prices of the silver.
- **Performance/Asset Class Risk**: The performance of the silver will have a direct bearing on the performance of the ETFs. The returns from physical silver may underperform returns from any other asset class.
- **Currency Risk:** The formula for deriving the NAV of the units of the ETFs is based on the imported (landed) value of the silver, which is computed by multiplying international market price by US Dollar value. Hence the value of NAV or silver will depend upon the conversion value and attracts all the risk associated with such conversion.
- **Physical silver:** There is a risk that part or all of the Scheme's silver could be lost, damaged or stolen. Access to the ETF's silver could also be restricted by natural events or human actions. Any of these actions may have adverse impact on the operations of the scheme and consequently on investment in units.
- Price volatility in Silver as a commodity will be much higher because of the industrial use of it. The commodity also goes through different business cycle according to demand situation arising from specific industries.
- Silver as a commodity is very different from Gold. While Gold is considered as the most defensive bet and has act as safe heaven to an investor the same may not be the case with silver. Gold has a separate place in Indian household and is one of the most preferred form of investing in India since ages. This may not be the case for Silver as the commodity is heavily dependent on the industrial use.
- **Counter party Risk:** There is no Exchange for physical silver in India. The Mutual Fund may have to buy or sell silver from the open market, which may lead to counter party risks for the Mutual Fund for trading and settlement.
- **Operational Risks**: Silver Exchange Traded Funds are relatively new products and their value could decrease if unanticipated operational or trading problems arise. Silver Exchange Traded Fund, an open ended Exchange Traded Fund, is therefore subject to operational risks. In addition, investors should be aware that there is no assurance that silver will maintain its long-term value in terms of purchasing power. In the event that the price of silver declines, the value of investment in Units is expected to decline proportionately.

- The ETFs may not be able to acquire or sell the desired number of units of silver due to conditions prevailing in the market, such as, but not restricted to circuit filters on the silver ETF (if any), liquidity and volatility in silver prices
- The units of the scheme will be compulsorily issued in dematerialised form through depositories. The records of the depository are final with respect to the number of Units available to the credit of Unit holder. Settlement of trades, repurchase of Units by the Mutual Fund will depend upon the confirmations to be received from depository (ies) on which the Mutual Fund has no control. Further, Investors may note that buying and selling units on stock exchange requires the investor to engage the services of a broker and are subject to payment of margins as required by the stock exchange/ broker, payment of brokerage, securities transactions tax and such other costs.
- The NAV of the units of Silver ETF are determined based on the formula as prescribed by the SEBI, whereas the actual price in the market may be different from the value of silver at based on the prescribed formula. This may lead to a condition where the NAV is too different from the domestic market price of silver. In such cases the trustees reserves the right to delay or suspend the buy/sell transactions.
- A day on which valuation on London Bullion Market Association (LBMA) is not available shall not be a Business day and hence NAV for the said day shall not be available to the Investors.
- Governments, central banks and related institutions, own a significant portion of the aggregate world silver holdings. If one or more of these institutions decides to sell in amounts large enough to cause a decline in world silver prices, the price of Units of the Scheme will be adversely affected.
- Conversion of underlying physical silver into the Units of the ETFs may attract capital gain tax depending on acquisition cost and holding period.

**(xx) Risk Factors Associated with Investments in Exchange Traded Commodity Derivatives (ETCD) of various commodities:**

The Scheme may invest in commodities markets as permitted under various regulations and may therefore have investment exposure to the commodities markets and one or more sectors of the commodities markets, which may subject the Scheme to greater volatility than investments in traditional securities, such as stocks and bonds. Volatility in the commodities markets may be caused by changes in overall market movements, domestic and foreign political and economic events and policies, war, acts of terrorism, changes in domestic or foreign interest rates and/or investor expectations concerning interest rates, domestic and foreign inflation rates, investment and trading activities of mutual funds, hedge funds and commodities funds, and factors such as drought, floods, weather, livestock disease, embargoes, tariffs and other regulatory developments, or supply and demand disruptions. Because the Scheme's performance is linked to the performance of volatile commodities, investors should be willing to assume the risks of potentially significant fluctuations in the value of the Scheme's shares.

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of investment strategies depends upon the ability of the fund manager(s) to identify such opportunities which may always not be available. Identification and execution of the strategies to be pursued by the fund manager(s) involve uncertainty and decision of fund manager(s) may not always be profitable. No assurance can be given that the fund manager(s) will be able to identify or execute such strategies.

The AMC within the regulatory guidelines and room given in Scheme information document, may use derivative on commodities (like Futures and Options). The use of derivatives may affect the performance of the scheme.

Systemic risks which may be witnessed while trading in Indian Commodities Market are Liquidity risk, Price risk in terms of volatility, Exchange Risk and counterparty risks.

- **Liquidity Risk:** While ETCDs that are listed on an exchange carry lower liquidity risk, the ability to sell these contracts is limited by the overall trading volume on the exchanges. The liquidity of the Schemes' investments is inherently restricted by trading volumes of the ETCD contracts in which it invests.

Additionally, change in margin requirements or intervention by government agencies to reduce overall volatility in the underlying commodity could lead to adverse impact on the liquidity of the ETCD.

- **Price risk:** ETCDs are leveraged instruments hence, a small price movement in the underlying security could have a large impact on their value. Also, the market for ETCDs is nascent in India hence, arbitrages can occur between the priceof the physical commodity and the ETCD, due to a variety of reasons such as technical issues and volatile movement in the price of the physical good. This can result in mispricing and improper valuation of investment decisions as it can be difficult to ascertain the amount of the arbitrage.

- **Settlement risk:** ETCDs can be settled either through the exchange or physically. The inability to sell ETCDs held in the Schemes' portfolio in the exchanges due to the extraneous factors may impact liquidity and would result in losses, at times, in case of adverse price movement. Wherein the underlying commodity is physically delivered in order to settle the derivative contract, such settlement could get impacted due to various issues, such as logistics, Government policy for trading in such commodities.

  If the Commodities futures position passes its last square off date or the 'Intention' is missed to be provided before the Delivery Intention period, the buyer or the seller will be allocated delivery of the commodity. Thus, there emerges a risk of holding goods in physical form at the warehouses. Though the commodity is inclusive of insurance cost, there is a small deductible in each claim which is not payable by the Insurance company.

**Risks associated with investments in ETCDs strategies:**
The Scheme may use derivative strategies for efficient portfolio management or generating best returns for the investors. The schemes may also attempt to hedge or reduce the risk by deploying various derivative strategies.

The Scheme's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations (if any). The use of these strategies is further dependent on the ability to predict movements in the prices of securities being hedged and movements in various macro variables such as interest rates, others. Further there exists an imperfect correlation between the derivative instrument and the underlying securities or market sectors being hedged. Thus, due to this inherent risk these strategies if imperfectly used have the risk of the Scheme not realising the maximum gains or incurring losses due to mismatches particularly in a volatile market.

There could be possible absence of a liquid market for any particular instrument at any particular time even though the futures and options may be bought and sold on an exchange.

Further the returns from the types of derivative strategies in which the scheme invests may underperform the returns of broader securities markets, respective scheme benchmark or other asset classes where scheme are permitted to invest. Different types of strategies tend to go through cycles of out-performance and under-performance in comparison of securities markets and may thus result in underperformance by the schemes.

**(xxi) Risk factors associated with investments in Perpetual Debt Instrument (PDI)**

Perpetual Debt instruments are issued by Banks, NBFCs and corporates to improve their capital profile. Some of the PDIs issued by Banks which are governed by the RBI guidelines for Basel III Capital Regulations are referred to as Additional Tier I (AT1 bonds). While there are no regulatory guidelines for issuance of PDIs by corporate bodies, NBFCs issue these bonds as per guidelines issued by RBI. The instruments are treated as perpetual in nature as there is no fixed maturity date. The key risks associated with these instruments are highlighted below:

**Key Risk Factors**: -

- **Risk on coupon servicing**

**Banks**
As per the terms of the instruments, Banks may have discretion at all times to cancel distributions/ payment

of coupons. In the event of non-availability of adequate distributable reserves and surpluses or inadequacy in terms of capital requirements, RBI may not allow banks to make payment of coupons.

**NBFCs**

While NBFCs may have discretion at all times to cancel payment of coupon, coupon can also be deferred (instead of being cancelled), in case paying the coupon leads to breach of capital ratios.

**Corporates**

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

- **Risk of write-down or conversion into equity Banks**

  As per the regulatory requirements, Banks have to maintain a minimum Common Equity Tier-1 (CET-1) ratio of Risk Weighted Assets (RWAs), failing which the AT-1 bonds can get written down. Further, AT-1 Bonds are liable to be written down or converted to common equity, at the discretion of RBI, in the event of Point of Non Viability Trigger (PONV). PONV is a point, determined by RBI, when a bank is deemed to have become non-viable unless there is a write off/ conversion to equity of AT-1 Bonds or a public sector capital injection happens. The write off/conversion has to occur prior to public sector injection of capital. This risk is not applicable in case of NBFCs and Corporates.

- **Risk of instrument not being called by the Issuer Banks**

  The issuing banks have an option to call back the instrument after minimum specified period from the date of issuance and thereafter, subject to meeting the RBI guidelines. However, if the bank does not exercise the call on first call date, the Scheme may have to hold the instruments for a period beyond the first call exercise date.

  **NBFCs**

  The NBFC issuer has an option to call back the instrument after minimum specific period as per the regulatory requirement from date of issuance and thereafter, subject to meeting the RBI guidelines. However, if the NBFC does not exercise the call option the Scheme may have to hold the instruments for a period beyond the first call exercise date. Corporates There is no minimum period for call date. However, if the corporate does not exercise the call option, the Scheme may have to hold the instruments for a period beyond the call exercise date.

**(xxii) Risk factors associated with Short Selling**

Short-selling is the sale of shares which are not owned by the seller at the time of trade. Instead, he borrows it from someone who already owns it. Later, the short seller buys back the stock he shorted and returns the stock to close out the loan. If the price of the stock corrects, Short seller can buy the stock back for less than he received for selling it and earn profit (the difference between higher short sale price and the lower purchase price).If the price of stock appreciates, short selling results in loss. Thus, Short positions carry the risk of losing money and these losses may grow theoretically unlimited if the price increases without limit and shall result into major losses in the portfolio.

**(xxiii) 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 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).

**(xxiv) Risk factors associated with REITs and InvITs**:

- **Price Risk:** Securities/Instruments of REITs and InvITs are volatile and prone to price fluctuations on a daily basis owing to market movements. The extent of fall or rise in the prices is a fluctuation in general market conditions, factors and forces affecting capital market, Real Estate and Infrastructure sectors, level of interest rates, trading volumes, settlement periods and transfer procedures.

- **Interest Rate Risk:** Securities/Instruments of REITs and InvITs run interest rate risk. Generally, when interest rates rise, prices of units fall and when interest rates drop, such prices increase.
- **Credit Risk**: Credit risk means that the issuer of a REIT/InvIT security/ instrument may default on interest payment or even on paying back the principal amount on maturity. Securities/ Instruments of REITs and InvITs are likely to have volatile cash flows as the repayment dates would not necessarily be pre scheduled.
- **Liquidity Risk:** This refers to the ease with which securities/instruments of REITs/InvITs can be sold. There is no assurance that an active secondary market will develop or be maintained. Hence there would be time when trading in the units could be infrequent. The subsequent valuation of illiquid units may reflect a discount from the market price of comparable securities/instruments for which a liquid market exists. As these products are new to the market they are likely to be exposed to liquidity risk.
- **Reinvestment Risk:** Investments in securities/instruments of REITs and InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or Dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.
- **Legal and Regulatory Risk:** The regulatory framework governing investments in securities/instruments of REITs and InvITs comprises a relatively new set of regulations and is therefore untested, interpretation and enforcement by regulators and courts involves uncertainties. Presently, it is difficult to forecast as to how any new laws, regulations or standards or future amendments will affect the issuers of REITs/InvITs and the sector as a whole. Furthermore, no assurance can be given that the regulatory system will not change in a way that will impair the ability of the Issuers to comply with the regulations, conduct the business, compete effectively or make distributions.

**(xxv) Risk factors associated for investments in Mutual Fund Schemes**

- Movements in the Net Asset Value (NAV) of these Schemes may impact the performance. Any change in the investment policies or fundamental attributes of these Schemes will affect the performance of the Scheme to the extent of investment in such schemes.
- Redemptions in these Schemes would be subject to applicable exit loads.

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## C. RISK MITIGATION STRATEGIES

Investments made by the Scheme would be in accordance with the investment objectives of the scheme and provisions of SEBI (MF) Regulations. Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification. The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, the investment team of the AMC will carry out rigorous in-depth analysis of the securities proposed to be invested in. The Scheme may also use various derivatives products for the purpose of trading, hedging and portfolio balancing from time to time, with an attempt to protect the value of the portfolio and enhance Unitholders' interest. 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 Mitigation measures for investments in equity / equity related instruments:**
The Scheme is mandated to construct a portfolio predominantly of equity and equity related instruments in the large, mid and small cap companies. This will help mitigate the risk associated with investments in large, mid and small cap companies. Risk Mitigation for investments in debt securities: Any investments in debt securities would be undertaken after assessing the associated 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 Paragraph 13.1.4 of SEBI Master Circular for Mutual Funds dated March 20, 2026, 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.

- Liquidity Risk: Liquidity risk is the risk of not being able to sell / liquidate a security at short notice at prevailing market prices or without incurring impact cost. While government bonds, money market instruments and shorter maturity instruments are generally easier to sell, corporate bonds and other instruments typically face higher liquidity risk. Further, higher rated securities normally are more liquid compared to lower rated securities. As a result, different portfolios will face different levels of liquidity risk based on the underlying portfolio composition. Some of the strategies to reduce liquidity risk are creating portfolios that are diversified across maturities, ratings, types of securities, etc. in line with the fund objectives, regulations and investment strategy.

- Credit Risk: Lower rated securities have a higher credit risk compared to higher rated securities. Hence, credit risk faced by different schemes will be different based on the underlying portfolio / investment strategy. To reduce the credit risk, a comprehensive and in-depth credit evaluation of each issuer will be undertaken, using both quantitative (leverage, profitability, solvency ratios etc.) and qualitative factors (parentage, track record etc.). Each of the scheme/ portfolio will endeavour to maintain adequate diversification across issuers / sectors in line with scheme objectives, regulations and investment strategy. Unrated investments, if any, would require specific approval from a committee constituted for the purpose.

- Debt Derivatives Risk: The AMC has provision for using derivative instruments for portfolio balancing and hedging purposes. Interest Rate Swaps will be done with approved counter parties under pre approved ISDA agreements. Mark to Market of swaps, netting off of cash flow and default provision clauses will be provided as per standard practice on a reciprocal basis. Interest Rate Swaps and other derivative instruments will be used as per local (RBI and SEBI) regulatory guidelines.

- Interest Rate Risk: Interest rate risk is the risk of change in the NAVs due to change in overall market yields. The change in value of a security, for a given change in yield, is higher for a security with higher duration and vice versa. Hence portfolios with higher duration will have higher volatility. The AMC shall strive to actively manage the duration of the respective funds based on the prevailing market conditions / outlook of interest rates, keeping in mind the scheme objectives, investment strategy and applicable regulations.

- Concentration Risk: The AMC will attempt to mitigate this risk by maintaining adequate diversification across issuers/ sectors / instrument type in line with the scheme objectives, investment strategy and applicable regulations. This will also be managed by keeping prudent investment limits on any particular industry or issuer or issuer group based on the size, credit profile, etc. to reduce issuer or industry specific risk.

**Risk Mitigation measures for investments in Non-Convertible Preference Shares:**

- **Credit Risk** - To reduce the credit risk, a comprehensive and in-depth credit evaluation of each issuer will be undertaken, using both quantitative (leverage, profitability, solvency ratios etc.) and qualitative factors (parentage, track record etc.)
- **Liquidity Risk** - The Fund endeavours to invest in preference shares of those companies which have relatively better market acceptability amongst market participants that increases the probability of secondary sale in case an exit from the investment is required.
- **Unsecured in nature** - The Fund endeavours to mitigate this risk by exercising due diligence while assessing the business, financial and management risks of the company before investing.

**Risk Mitigation factors relating to investment in Perpetual Debt Instruments (PDI):**

- **Risk on coupon servicing and Risk of write-down or conversion into equity**

**Banks:** The risks on coupon servicing or principal write down/ conversion to equity are mitigated, to a certain extent, if the investee bank has strong financial position and meets the required regulatory guidelines. Hence, an in-depth credit evaluation of each bank is undertaken, keeping in mind both quantitative (leverage, profitability, solvency ratios, capital adequacy, etc.) and qualitative factors (parentage, track record etc.). Given the regulatory guidelines, special focus is on capital cushion, track record of profitability, distributable surplus and/or strong parentage which has the capacity and willingness to infuse capital, in case it is needed. Investment is done only in the AT-1 bonds of banks with strong credit worthiness, in our assessment. This, in turn, reduces the risk of its capital position falling below regulatory requirements and / or reaching PONV.

Risk of write-down or conversion into equity is not applicable in case of NBFCs and Corporates.

**Risk on coupon servicing**

**NBFCs**
These risks are mitigated, to certain extent, if the investee NBFC has strong financial position and meets the required regulatory guidelines. Hence, an in-depth credit evaluation of each NBFC is undertaken, keeping in mind both quantitative (leverage, profitability, solvency ratios, capital adequacy, etc.) and qualitative factors (parentage, track record etc.). Given the regulatory guidelines, special focus is on capital cushion, track record of profitability, distributable surplus and/or strong parentage which has the capacity and willingness to infuse capital, in case it is needed.

**Corporates**
To mitigate this risk, an in-depth credit evaluation of each corporate is undertaken, keeping in mind both quantitative (leverage, profitability, industry position, market share etc.) and qualitative factors (parentage, track record etc.). Additionally, given that the coupon is usually cumulative in nature and the corporate is restricted from paying any dividends till all previous dues are paid to the perpetual bond investor, the company has adequate incentive to not defer coupon on PDIs.

- **Risk of instrument not being called by the Issuer**

**Banks**
While the issuer bank does have an option to not exercise the first call, experience suggests that all Indian banks till now have exercised the call option during the call period. We believe that banks are cognizant of the investor sensitivities with regards to risk of not exercising the call option at the first call date. Further, as we invest in issuers with sound credit worthiness, we expect them to understand the importance of exercising the call as the part of their long term capital raising strategy. Any instance of skipping of call option exercise can lead to increase in cost of AT1 bonds for future issuance (as investor would start factoring in longer bond tenors) and impact the bank's profitability adversely. Given the importance of AT1 instruments for prudently managing the capital levels and improving the returns for the equity holders, we are of the opinion that banks would choose to service the interest on AT1 bonds and exercise the first call option on AT1 bonds, as they have done in the past. Finally, in case the issuer is unable to call the perpetual instrument on first call date (say due to market disruption), the annual call on these instruments would enable the bank to call the bond on any of the subsequent annual call options dates.

**NBFCs and Corporates**
While the issuer is not obligated to exercise the call option on first call date, the coupon stepup usually provides financial incentive to the Issuer to exercise the call option. Further, as we invest in issuer with sound credit worthiness, we expect them to be cognizant of the investor sensitivities with regards to exercising the call as the part of their long term resource raising strategy. Any instance of skipping of first call option exercise can lead to increase in cost of PDI for future issuance (as investor would start factoring in longer bond tenors) and impact the issuer's profitability adversely. Finally, in case the issuer is unable to call the perpetual instrument on first call date (say due to market disruption), the coupon step up also compensates the investor for extended holding period.

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.

**Derivatives Strategy**
The Scheme may invest in various derivative instruments which are permissible under the applicable regulations. Such investments shall be subject to the investment objective and strategy of the Scheme and the internal limits if any, as laid down from time to time. These include but are not limited to futures (both stock and index) and options (stock and index).

Derivatives are financial contracts of pre-determined fixed duration, like stock futures/options and index futures and options, whose values are derived from the value of an underlying primary financial instrument such as: interest rates, exchange rates, commodities, and equities.

Derivatives can be either exchange traded or can be over the counter (OTC). Exchange traded derivatives are listed and traded on stock exchanges whereas OTC derivative transactions are generally structured between two counterparties.

The objectives of the various strategies include earning option premium/ hedge stock / portfolio against market gyrations.

**Risks**
The risks associated with derivatives are similar to those associated with underlying investments. The additional risks of using derivative strategies could be on account of:

- Illiquidity;
- Potential mis - pricing of the Futures/Options;
- Lack of opportunity;
- Inability of derivatives to correlate perfectly with the underlying (Indices, Assets, Exchange Rates);
- Cost of hedge can be higher than adverse impact of market movements;
- An exposure to derivatives in excess of the hedging requirements can lead to losses;

- An exposure to derivatives can also limit the profits from a genuine investment transaction;
- The prices which are seen on the screen need not be the same at which execution will take place.
- In case of option writing, the downside of the strategy could be more than the option premium earned.

For detailed risks associated with use of derivatives, please refer paragraph "Scheme Specific Risk Factors". Exchange traded derivatives Contracts in stocks and indices in India are currently cash settled at the time of maturity.

Derivatives allowed for mutual funds are only exchange traded and not OTC. Concepts and Examples of derivatives which may be used by the fund manager:

**Futures**

Futures (Index & Stocks) are forward contracts traded on the exchanges & have been introduced both by BSE and NSE. Generally futures of 1 month (near month), 2 months (next month) and 3 months (far month) are presently traded on these exchanges. These futures expire on the last working Thursday of the respective months.

**Index Options / Stock Options**

Index options / Stock options are termed to be an efficient way of buying / selling an index/stock compared to buying / selling a portfolio of physical shares representing an index for ease of execution and settlement. The participation can be done by buying / selling either Index futures or by buying a call/put option.

The risk are also different when index /stock futures are bought/sold visa- a- vis index/ stocks options as in case of an index future there is a mark to market variation and the risk is much higher as compared to buying an option, where the risk is limited to the extent of premium paid.

**Fixed Income Derivative Instruments**

The Scheme may use Derivative instruments like interest rate swaps like overnight indexed swaps (OIS), forward rate agreements, interest rate futures (as and when permitted) or such other Derivative instruments as may be permitted under the applicable regulations. Derivatives will be used for the purpose of hedging, and portfolio balancing or such other purpose as may be permitted under the regulations and guidelines from time to time.

The Fund will be allowed to take exposure in interest rate swaps only on a non-leveraged basis. A swap will be undertaken only if there is an underlying asset in the portfolio. 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 RBI permitting participation by Mutual Funds in interest rate swaps and forward rate agreements, the Scheme will use Derivative instruments for the purpose of hedging and portfolio balancing. The Scheme may also use derivatives for such purposes as maybe permitted from time to time. Further, the guidelines issued by RBI from time to time for forward rate agreements and interest rate swaps and other derivative products would be adhered to by the Mutual Fund.

IRS and FRAs do also have inherent credit and settlement risks. However, these risks are substantially reduced as they are limited to the interest streams and not the notional principal amounts.

Investments in Derivatives will be in accordance with the extant SEBI Regulations / guidelines. Presently Derivatives shall be used for hedging and / or portfolio balancing purposes, as permitted under the Regulations. The circumstances under which such transactions would be entered into would be when, for example using the IRS route it is possible to generate better returns / meet the objective of the Scheme at a lower cost. e.g. if buying a 2 Yr MIBOR based instrument and receiving the 2 Yr swap rate yields better return than the 2 Yr AAA corporate, the Scheme would endeavor to do that. Alternatively, the Scheme would also look to hedge existing fixed rate positions if the view on interest rates is that it would likely rise in the future.

The following information provides a basic idea as to the nature of the Derivative instruments proposed to be used by the Scheme and the benefits and risks attached therewith. Please note that the examples have been given for illustration purposes only.

**Using Overnight Indexed Swaps**

In a rising interest rate scenario, the Scheme may enhance returns for the Investor by hedging the risk on its fixed interest paying assets by entering into an OIS contract where the Scheme agrees to pay a fixed interest rate on a specified notional amount, for a pre determined tenor and receives floating interest rate payments on the same notional amount. The fixed returns from the Scheme assets and the fixed interest payments to be made by the Scheme on account of the OIS transaction offset each other and the Scheme benefits on the floating interest payments that it receives. The Scheme may enter into an opposite position in case of a falling interest rate scenario, i.e. to hedge the floating rate assets in its portfolio the Scheme enters into an OIS transaction wherein it receives a fixed interest rate on a specified notional amount for a specified time period and pays a floating interest rate on the same notional amount. The floating interest payments that the Scheme receives on its floating rate securities and the floating interest payments that the Scheme has to pay on account of the OIS transaction offset each other and the Scheme benefits on the fixed interest payments that it receives in such a scenario.

**Swap**

Assume that the Scheme has a Rs. 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 NSE or any other agency such as Reuters. This swap would effectively lock-in the rate of 12% for the next 6 months, eliminating the daily interest rate risk. This transaction is usually routed through an intermediary who runs a book and matches deals between various counterparties.

**Forward Rate Agreement**

Assume that on June 30, 2009, the 30 day Commercial Paper (CP) rate is 4% and the Scheme has an investment in a CP of face value Rs. 50 Crores, which is going to mature on July 31, 2009. If the interest rates are likely to remain stable or decline after July 31, 2009, 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 June 30, 2009:

He can receive 1 X 2 FRA on June 30, 2009 at 4.00% (FRA rate for 1 months lending in 1 months time) on the notional amount of Rs. 50 Crores, with a reference rate of 30 day CP benchmark. If the CP benchmark on the settlement date i.e. July 30, 2009 falls to 3.75%, then the Scheme receives the difference 4.00 – 3.75 i.e. 25 basis points on the notional amount Rs. 50 Crores.

**Interest Rate Futures**

Assume that the Scheme holds an Indian ten year benchmark and the fund manager has a view that the yields will go up in the near future leading to decrease in value of the investment and subsequent decrease in Net Asset Value of the Scheme. The fund manager decides to use Interest Rate Futures to mitigate the risk of decline of Net Asset Value of the Scheme.

## II. INFORMATION ABOUT THE SCHEME:

### A. WHERE WILL THE SCHEME INVEST –

The corpus of the Scheme, subject to the enabling provisions of asset allocation pattern, will be invested in securities/ instruments which will include but not limited to:

**Equity and Equity Related Instruments**

1. Equity share is a security that represents ownership interest in a company.
2. Equity Related Instruments are securities which give the holder of the security right to receive Equity Shares on pre agreed terms. It includes convertible bonds, convertible debentures, equity warrants, convertible preference shares, etc.
3. Foreign Equity and Equity Related Instrument as may be permitted by SEBI/RBI from time to time.
4. Equity Derivatives are financial instruments, generally traded on an exchange, the price of which is directly dependent upon (i.e., "derived from") the value of equity shares or equity indices. Derivatives involve the trading of rights or obligations based on the underlying, but do not directly transfer property.
5. Real Estate Investment Trust (REITs): REITs is a trust which holds real estate assets which is managed by an investment manager. The unitholders in the trust have proportional interest in the underlying holdings of the trust.

**i. Futures**

Futures are exchange-traded contracts to sell or buy financial instruments for future delivery at an agreed price. There is an agreement to buy or sell a specified quantity of financial instrument on a designated future date at a price agreed upon by the buyer and seller at the time of entering into a contract. To make trading possible, the exchange specifies certain standardized features of the contract. A futures contract involves an obligation on both the parties to fulfill the terms of the contract.

SEBI has permitted futures contracts on indices and individual stocks with maturity of 1 month, 2 months and 3 months on a rolling basis. The futures contracts are settled on last Thursday (or immediately preceding trading day if Thursday is a trading holiday) of each month. Currently, the futures are settled in cash. The final settlement price is the closing price of the underlying stock(s)/index.

**ii. Options**

Option is a contract which provides the buyer of the option (also called holder) the right, without the obligation, to buy or sell a specified asset at the agreed price on or upto a particular date. For acquiring this privilege, the buyer pays premium (fee) to the seller. The seller on the other hand has the obligation to buy or sell specified asset at the agreed price and for this obligation he receives premium. The premium is determined considering number of factors such as the market price of the underlying asset/security, number of days to expiry, risk free rate of return, strike price of the option and the volatility of the underlying asset. Option contracts are of two types viz:

- Call Option - The option that gives the buyer the right but not the obligation to buy specified quantity of the underlying asset at the strike price is a call option. The buyer of the call option (known as the holder of call option) can call upon the seller of the option (writer of the option) and buy from him the underlying asset at the agreed price at any time on or before the expiry of the option.

  The seller (writer of the option) on the other hand has the obligation to sell the underlying asset if the buyer of the call option decides to exercise his option to buy.

- Put Option – The option that gives the buyer the right but not the obligation to sell is called put option. A Put option gives the holder (buyer) the right to sell specified quantity of the

underlying asset at the strike price.
There are two kind of options based on the date of exercise of right. The first is the European Option which can be exercised only on the maturity date. The second is the American Option which can be exercised on or before the maturity date.

**Debt Instruments & Money Market Instruments**

**1. Certificate of Deposit (CD)**

Certificate of Deposit (CD) is a negotiable money market instrument issued by scheduled commercial banks and select all-India Financial Institutions that have been permitted by the RBI to raise short term resources. The maturity period of CDs issued by the Banks is between 7 days to one year, whereas, in case of FIs, maturity is one year to 3 years from the date of issue.

**2. Commercial Paper (CP)**

Commercial Paper (CP) is an unsecured negotiable money market instrument issued in the form of a promissory note, generally issued by the corporates, primary dealers and all India Financial Institutions as an alternative source of short term borrowings. CP is traded in secondary market and can be freely bought and sold before maturity.

**3. Treasury Bill (T-Bill)**

Treasury Bills (T-Bills) are issued by the Government of India to meet their short term borrowing requirements. T-Bills are issued for maturities of 14 days, 91 days, 182 days and 364 days. The Scheme may also invest in Cash Management Bill (CMB) issued by the Government of India to meet their short term borrowing requirements. CMB are generally issued for maturities of less than 91 days.

**4. Commercial Usance Bills**

Bill (bills of exchange/promissory notes of public sector and private sector corporate entities) Rediscounting, usance bills and commercial bills.

**DEBT MARKET IN INDIA**

The Indian debt markets are one of the largest and rapidly developing markets in Asia. Government and Public Sector enterprises are the predominant borrowers in the market. The debt markets have received lot of regulatory and governmental focus off late and are developing fast, with the rapid introduction of new instruments including derivatives. Foreign Portfolio Investors are also allowed to invest in Indian debt markets subject to ceiling levels announced by the government. There has been a considerable increase in the trading volumes in the market. The trading volumes are largely concentrated in the Government of India Securities, which contribute a significant proportion of the daily trades.

The money markets in India essentially consist of the call money market (i.e. market for overnight and term money between banks and institutions), repo transactions (temporary sale with an agreement to buy back the securities at a future date at a specified price), commercial papers (CPs, short term unsecured promissory notes, generally issued by corporates), certificate of deposits (CDs, issued by banks) , Treasury Bills (issued by RBI) and the Triparty Repo.

Government securities are largely traded on a Negotiated Order Matching system (NDS OM) apart from the OTC market. The settlement of trades both in the Gsec markets and the overnight repo and Triparty Repo are guaranteed and done by a central counterparty,the Clearing corporation of India (CCIL). Money market deals involving CD's and CPs are traded and settled on an OTC basis. The clearing and settlement of corporate bond deals are now routed through a central counterparty established by the exchanges BSE (ICCL) and NSE (NSCCL) which settles deals on a DVP (Delivery versus payment ) non-guaranteed basis.

The current market yields of various instruments and the factors affecting prices of such securitiesare given hereunder. The securitized instruments of higher ratings generally offer yields which are50-75 basis points

higher than the comparable normal debt instruments.

Following are the yield matrix of various debt instruments as on April 15, 2026:

| Issuer | Instrument | Maturity | Yields (%) | Liquidity |
|---|---|---|---|---|
| GOI | Treasury Bill | 91 days | 5.21% | High |
| GOI | Treasury Bill | 364 days | 5.59% | High |
| GOI | Short dated | 1-3 years | 5.59%-6.18% | High |
| GOI | Medium Dated | 3-5 years | 6.18%-6.57% | High |
| GOI | Long dated | 5-10 years | 6.57%-6.90% | High |
| Corporate (AAA)* | Taxabe Bonds | 1-3 years | 7.00%-7.40% | High |
| Corporate (AAA)* | Taxable Bonds | 3-5 years | 7.40%- 7.55% | High |
| Corporate (AAA)* | Taxable Bonds | 10 years | 7.70-7.80% | High |
| Banks (PSU/PVT.) | CDs(A1+) | 3 months | 6.10% | Medium to high |
| Corporate | CPs(A1+) | 3 months | 6.25%-6.60% | Medium to High |

*AAA PSU rates are indicated

The interest rate market conditions are influenced by the Liquidity in the system, Credit growth, GDP growth, Inflows into the Country, Currency movement in the Forex market, demand and supply of issues and change in investors' preference. Generally when there is a rise in interest rates the price of securities fall and vice versa. The extent of change in price shall depend on the rating, tenor to maturity, coupon and the extent of fall or rise in interest rates. The Government securities carry zero credit risk, but they carry interest rate risk like any other Fixed Income Securities. Money market instruments such as CP's and CD's which are fairly liquid are not listed in exchanges. The impact cost of offloading the various asset classes differ depending on market conditions and may impair the value of the securities to that extent. Further, investments in securitized instruments or structured obligation papers carry a higher illiquidity risk. They also carry limited recourse to the originator, delinquency risk out of the defaults on the receivables and prepayment risk which affects the yields on the instruments.

**Repos**

Repo (Repurchase Agreement) or Reverse Repo is a transaction in which two parties agree to sell and purchase the same security with an agreement to purchase or sell the same security at a mutually decided future date and price. The transaction results in collateralized borrowing or lending of funds. Presently in India, corporate debt securities, Government Securities, State Government Securities and T-Bills are eligible for Repo/Reverse Repo.

Tri-party repo means a repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction.

The Scheme may undertake repo or reverse repo transactions in accordance with the directions issued by RBI and SEBI from time to time. Such investment shall be made subject to the guidelines which may be prescribed by the Board of Directors of the Asset Management Company and Trustee Company.

**Securities created and issued by the Central and State Governments** as may be permitted by RBI, securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills). State Government securities (popularly known as State Development Loans or SDLs) are issued by the respective State Government in co-ordination with the RBI.

**Non -Convertible Debentures**

Non convertible debentures are securities issued by companies / institutions promoted / owned by the Central or State Governments and statutory bodies which may or may not carry a Central/State Government guarantee, Public and private sector banks, all India Financial Institutions and Private Sector Companies.

These instruments may be secured or unsecured against the assets of the Company and generally issued to meet the short term and long term fund requirements. These instruments may have fixed or floating rate coupon. The Scheme may also invest in the non convertible part of convertible debt securities.

**Securitized Assets**

Securitization is a structured finance process which involves pooling and repackaging of cash flow producing financial assets into securities that are then sold to investors. They are termed as Asset Backed Securities (ABS) or Mortgage Backed Securities (MBS). ABS are backed by other assets such as credit card, automobile or consumer loan receivables, retail installment loans or participations in pools of leases. Credit support for these securities may be based on the underlying assets and/or provided through credit enhancements by a third party. MBS is an asset backed security whose cash flows are backed by the principal and interest payments of a set of mortgage loans. Such Mortgage could be either residential or commercial properties. ABS/MBS instrument reflect the undivided interest in the underlying assets and do not represent the obligation of the issuer of ABS/MBS or the originator of underlying receivables. Securitization often utilizes the services of SPV.

**Pass through Certificate (PTC)**

(Pay through or other Participation Certificates) represents beneficial interest in an underlying pool of cash flows. These cash flows represent dues against single or multiple loans originated by the sellers of these loans. These loans are given by banks or financial institutions to corporates. PTCs may be backed, but not exclusively, by receivables of personal loans, car loans, two wheeler loans and other assets subject to applicable regulations.

**Infrastructure Investment Trust (InvIT)**

InvITs is a trust which holds real estate or infrastructure assets respectively which is managed by an investment manager. The unitholders in the trust have proportional interest in the underlying holdings of the trust.

**Debt derivative instruments**

i. **Interest Rate Swap** - An Interest Rate Swap (IRS) is a financial contract between two parties exchanging or swapping a stream of interest payments for a “notional principal” amount on multiple occasions during a specified period. Such contracts generally involve exchange of a “fixed to floating” or “floating to fixed rate” of interest. Accordingly, on each payment date that occurs during the swap period, cash payments based on fixed/ floating and floating rates are made by the parties to one another.

ii. **Forward Rate Agreement** - A Forward Rate Agreement (FRA) is a financial contract between two parties to exchange interest payments for a ‘notional principal’ amount on settlement date, for a specified period from start date to maturity date. Accordingly, on the settlement date, cash payments based on contract (fixed) and the settlement rate, are made by the parties to one another. The settlement rate is the agreed bench-mark/ reference rate prevailing on the settlement date.

**iii. Interest Rate Futures**

A futures contract is a standardized, legally binding agreement to buy or sell a commodity or a financial instrument in a designated future month at a market determined price (the futures price) by the buyer and seller. The contracts are traded on a futures exchange. An Interest Rate Future is a futures contract with an interest bearing instrument as the underlying asset.

**Characteristics of Interest Rate Futures**

1. Obligation to buy or sell a bond at a future date
2. Standardized contract.
3. Exchange traded
4. Physical settlement
5. Daily mark to market

**Foreign Securities**
The Scheme may also invest in suitable investment avenues in foreign securities 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, to the extent permissible under the Regulations.

The Scheme may, with the approval of SEBI / RBI, where required invest in:

- ADRs (American Depository Receipts)/ GDRs (Global Depository Receipts) issued by Indian or foreign companies
- Equity of overseas companies listed on recognized stock exchanges overseas
- Initial and follow on public offerings for listing at recognized stock exchanges overseas
- 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
- Money market instruments rated not below investment grade
- Repos in the form of investment, where the counterparty is rated not below investment grade; repos shall not however, involve any borrowing of funds by the mutual funds
- Government securities where the countries are rated not below investment grade
- Derivatives traded on recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities
- Short term deposits with banks overseas where the issuer is rated not below investment grade
- Units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in (a) aforesaid securities, or (b) unlisted overseas securities (not exceeding 10% of their net assets).

Note: The Scheme will not invest in foreign securitized debt.

As per Paragraph 13.11.2 of SEBI Master Circular for Mutual Fund dated March 20 , 2026, mutual funds can make overseas investments (other than overseas ETF) subject to a maximum of US $7 billion and in overseas ETFs subject to a maximum $1 billion or such limits as may be prescribed by SEBI from time to time. Subject to the approval of 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, interest rate futures / swaps, currency options for the purpose of hedging the risks of assets of a portfolio or for its efficient management. However, the use of such instruments shall be as permitted from time to time. All the requirement of the Paragraph 13.11.2 of SEBI Master Circular for Mutual Fund dated March 20, 2026, would be adhered to by the AMC for investment in foreign securities.

Investment in overseas securities shall be made in accordance with the requirements including appointment of a dedicated Fund Manager stipulated by SEBI and RBI from time to time.

Further, vide Paragraph 13.11.2 of SEBI Master Circular for Mutual Fund dated March 20, 2026,, a list of permissible investments was prescribed for the purpose of overseas investments. For schemes investing atleast 80% of total assets in such permissible overseas investments, the transfer of redemption or repurchase proceeds to the unitholders shall be made within five working days from the date of redemption or repurchase.

A list of exceptional circumstances has been published for schemes unable to transfer redemption or repurchase proceeds to investors within time as stipulated above, along with applicable time frame for transfer of redemption or repurchase proceeds to the unitholders in such exceptional circumstances in line with Paragraph 15.4 of SEBI Master Circular for Mutual Funds dated March 20, 2026,

**Short Term Deposits**
Pending deployment of funds as per the investment objective of the Scheme, the Funds may be

parked in short term deposits of the Scheduled Commercial Banks, subject to guidelines and limits specified by SEBI.

**Units of Mutual Fund schemes & Gold and Silver instruments.**

The Scheme may invest in another scheme managed by the same AMC or by the AMC of any other Mutual Fund without charging any fees on such investments, provided that aggregate inter-scheme investment made by all schemes managed by the same AMC or by the AMC of any other Mutual Fund shall not exceed 5% of the net asset value of the Fund.

The securities / instruments mentioned above and such other securities the Scheme is permitted to invest in could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity.

The securities may be acquired through initial public offering (IPOs), secondary market, private placement, rights offers, negotiated deals etc. Further investments in debentures, bonds and other fixed income securities will be in instruments which have been assigned investment grade rating by the Credit Rating Agency.

Investment in unrated debt instruments shall be subject to complying with the norms as specified by Board from time to time. For applicable regulatory investment limits please refer paragraph "Investment Restrictions".

The Fund Manager may invest in any other security as maybe permitted from time to time and which are in line with the investment objectives of the Scheme.

**B. WHAT ARE THE INVESTMENT RESTRICTIONS?**

Pursuant to Regulations, specifically the Sixth Schedule and amendments thereto, the following investment restrictions are currently applicable to the Scheme:

1. The Scheme shall not invest more than 10 per cent of its NAV in the equity shares or equity related instruments of any entity. All investments by the Scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed.
2. The Mutual Fund under all its Scheme (s) shall not own more than ten per cent of any company's paid up capital carrying voting rights or ten per cent of units of REITs issued by a single issuer, as the case may be. Provided, investment in the asset management company or the trustee company of a mutual fund shall be governed by clause (a), of sub-regulation (1), of regulation 7B.
3. The Scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer, which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the SEBI Act, 1992. Such investment limit may be extended to 12% of the NAV of the Scheme with the prior approval of the Trustee and the Board of Directors of AMC. However, in order to avoid inconsistency in investment by mutual funds in debt instruments of an issuer, irrespective of the scheme being actively or passively managed, it has been decided to introduce a similar credit rating based single issuer limit for actively managed mutual fund schemes. Accordingly, to Paragraph 13.1.2(a) &(b) for Mutual Funds for Mutual Funds dated March 20,2026, following prudential limits shall be followed, for schemes other than Credit risk funds:

   A mutual fund scheme shall not invest more than:
   a. 10% of its NAV in debt and money market securities rated AAA; or
   b. 8% of its NAV in debt and money market securities rated AA; or
   c. 6% of its NAV in debt and money market securities rated A and below issued by a single issuer.

   The above investment limits may be extended by up to 2% of the NAV of the scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12%

limit specified in Paragraph 13.1.2 (b) of Master Circular for Mutual Funds for Mutual Funds dated March 20,2026.

Such limit shall not be applicable for investments in debt exchange traded funds, Government Securities, treasury bills and triparty repo on Government securities or treasury bills.

Provided further that investments within such limit can be made in the mortgaged backed securitised debt, which are rated not below investment grade by a credit rating agency registered with SEBI.

Such limit is not applicable for investment in securitized debt (mortgage backed securities and asset backed securities), at the originator level.

The long term rating of issuers shall be considered for the money market instruments. However, if there is no long term rating available for the same issuer, then based on credit rating mapping of Credit Rating Agencies between short term and long term ratings, the most conservative long term rating shall be taken for a given short term rating. Exposure to government money market instruments such as TREPS on G-Sec/ T-bills shall be treated as exposure to government securities.

4. The Scheme shall not invest in unlisted debt instruments including commercial papers, except Government Securities and other money market instruments:

   Provided that the Scheme may invest in unlisted non-convertible debentures up to a maximum of 10% of the debt portfolio of the Scheme subject to such conditions as may be specified by the Board from time to time:

   Provided further that the Scheme shall comply with the norms under this clause within the time and in the manner as may be specified by the Board:

   Provided further that the norms for investments by the Scheme in unrated debt instruments shall be as specified by the Board from time to time.

5. The Scheme shall invest up to 5% of the net assets of the scheme, in unrated debt instruments/securities including bills re-discounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in MF Regulations and various circulars issued thereunder subject to such conditions as may be specified from time to time.

   Provided that all such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.

   Provided further that the limit specified is for investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF) etc. by mutual fund schemes.

   AMCs may, for the purpose of maintain operational flexibility, constitute committees for approval of unrated instruments. However, detailed parameters for investment in unrated debt instruments shall be approved by the Board of the AMC and Trustees. Details of such investments shall be communicated by the AMCs to the Trustees in their periodical reports, along with clear indication as to how the parameters set for investments have been complied with. Prior approval of the Board of the AMC and Trustees shall be required in case investment is sought to be made in an unrated security falling outside the prescribed parameters.

6. The investment by the Scheme in debt instruments having structured obligation/credit enhancements instruments in the following instruments shall not exceed 10% of the debt portfolio of the scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the scheme:

a. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and
b. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.

These limits shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008.

The Investment in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares. AMCs may ensure that the investment in debt instruments having credit enhancements are sufficiently covered to address the market volatility and reduce the inefficiencies of invoking of the pledge or cover, whenever required, without impacting the interest of the investors. In case of fall in the value of the cover below the specified limit, AMCs shall initiate necessary steps to ensure protection of the interest of the investors.

7. The Scheme may invest in other schemes of the Mutual Fund or any other mutual fund without charging any fees, provided theaggregate inter-scheme investment made by all the schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the Net Asset Value of the Fund.

8. The Scheme shall not make any investment in:
   - any unlisted security of an associate or group company of the sponsor; or
   - any security issued by way of private placement by an associate or group company of the sponsor; or
   - the listed securities of group companies of the sponsor which is in excess of 25% of the net assets.

9. The Mutual Fund shall get the securities purchased transferred in the name of the Fund on account of the concerned Scheme, except in respect of such securities as may be specified by the board from time to time.

10. Transfer of instruments from one scheme to another scheme in the same mutual fund is permitted provided:

a) Such transfers are done at the prevailing market price for quoted instruments on spot basis (spot basis shall have the same meaning as specified by a Stock Exchange for spot transactions); and
b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

However, in terms of Paragraph 13.19 of SEBI Master Circular for Mutual Funds dated March 20, 2026, ISTs are allowed only in case of raising liquidity and for duration/Issuer/Sector/Group rebalancing with the following conditions:

**In case of Raising Liquidity, ISTs permitted if:**

a) Use of scheme cash & cash equivalent
b) Use of market borrowings
c) Selling of scheme securities in the market
d) After attempting all the above, if there is still a scheme level liquidity deficit, then out of the remaining securities, outward Inter Scheme Transfers (ISTs) of the optimal mix of low duration paper with highest quality shall be effected.

The use of market borrowing before ISTs will be optional and Fund Manager may at his discretion take decision on borrowing in the best interest of unitholders. The option of market borrowing or selling of security as mentioned at Paragraphs above may be used in any combination and not necessarily in the above order.

**In case of Duration/Issuer/Sector/Group rebalancing, ISTs permitted if:**

a) ISTs shall be allowed only to rebalance the breach of regulatory limit.

b) ISTs can be done where any one of duration, issuer, sector and group balancing is required in both the transferor and transferee schemes.

No ISTs of a security shall be allowed, if there is negative news or rumors in the mainstream media or an alert is generated about the security, based on internal credit risk assessment in terms of Paragraph 5.4 of this Master Circular for Mutual Funds dated March 20,2026 during the previous four months.

11. 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 the 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 the Board:

    Provided further that the 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.

12. The Scheme shall not make any investment in any fund of funds scheme.
13. The Scheme will comply with the following restrictions for trading in exchange traded derivatives, as specified by SEBI vide its Paragraph 8.6 of SEBI Master Circular for Mutual Funds dated March 20,2026 and related Circulars therein.

**i. Position limit for the Mutual Fund in equity index options contracts**

a. The Mutual Fund position limit in all index options contracts on a particular underlying index shall be Rs. 500 crores or 15% of the total open interest of the market in index options, whichever is higher, per stock exchange.
b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

**ii. Position limit for the Mutual Fund in equity index futures contracts:**

a. The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be Rs.500 crores or 15% of the total open interest of the market in index futures, whichever is higher, per stock exchange.
b. 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, the Mutual Fund may take exposure in equity index derivatives
subject to the following limits:

a. 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.
b. 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, Treasury Bills and similar instruments.

**iv. Position limit for Mutual Fund for stock based derivative contracts**

The combined futures and options position limit shall be 20% of the applicable Market Wide Position Limit (MWPL).

**v. Position limit for each scheme of a Mutual Fund**

The scheme-wise position limit / disclosure requirements shall be:

i. 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 contract on a particular underlying stock (in terms of number of contracts).

ii. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.

iii. 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.

14. Pending deployment of the funds of the Scheme in securities in terms of the investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI:

The Scheme will comply with the following guidelines/restrictions for parking of funds in short term deposits:

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

ii. The Scheme 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.

iii. 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.

iv. The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.

v. The Scheme shall not park funds in short term deposit (STD) of a bank which has invested in that Scheme. Further Trustees/ AMCs shall also ensure that the bank in which the Scheme has STD do not invest in the said scheme until the Scheme has STD with such bank.

vi. The AMC will not charge any investment management and advisory fees for funds parked in short term deposits of scheduled commercial banks.

However, the above provisions will not apply to term deposits placed as margins for trading in cash and derivatives market.

15. The Scheme shall not advance any loans.

16. The Scheme shall not borrow except to meet temporary liquidity needs of the Scheme for the purpose of repurchase / redemption of Units or payment of interest and/or IDCW to the Unit holders.

Provided that the Fund shall not borrow more than 20% of the net assets of the individual Scheme and the duration of the borrowing shall not exceed a period of 6 months.

The Scheme will comply with the other Regulations applicable to the investments of Mutual Funds from time to time.

17. SEBI vide its Paragraph 13.18 of SEBI Master Circular for Mutual Funds dated March 20, 2026 has prescribed the following investment restrictions w.r.t. investment in derivatives:

<table>
<tr><th>Sr. No.</th><th>Particulars</th></tr>
<tr><td>1</td><td>The cumulative gross exposure through equity, debt, derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the Scheme. Cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure.</td></tr>
<tr><td>2</td><td>The Scheme shall not write options or purchase instruments with embedded written options except call options under a covered call strategy as specified in Paragraph 13.15.1 of SEBI Master Circular for Mutual Funds dated March 20, 2026 as amended from time to time.</td></tr>
<tr><td>3</td><td>The total exposure related to option premium paid shall not exceed 20% of the net assets of the scheme.</td></tr>
<tr><td>4</td><td>Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:<br><br>Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.<br><br>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.<br>Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.<br><br>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.</td></tr>
<tr><td>5</td><td>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.</td></tr>
<tr><td>6</td><td>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:<br><br>
<table>
<tr><th>Position</th><th>Exposure</th></tr>
<tr><td>Long Future</td><td>Futures Price * Lot Size * Number of Contracts</td></tr>
<tr><td>Short Future</td><td>Futures Price * Lot Size * Number of Contracts</td></tr>
<tr><td>Option bought</td><td>Option Premium Paid * Lot Size * Number of Contracts.</td></tr>
</table>
</td></tr>
<tr><td>7</td><td>a) The Scheme may enter into plain vanilla interest rate swaps for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme.<br>b) In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if mutual funds are transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable.</td></tr>
</table>

18. The Scheme may write call options only under a covered call strategy for constituent stocks of NIFTY 50 and BSESENSEX subject to the following:
    (i) The total notional value (taking into account strike price as well as premium value) of call options written by a scheme shall not exceed 15% of the total market value of equity shares held in that scheme.
    (ii) The total number of shares underlying the call options written shall not exceed 30% of the unencumbered shares of a particular company held in the scheme. The unencumbered shares in a scheme shall mean shares that are not part of Securities Lending and Borrowing Mechanism(SLBM), margin or any other kind of encumbrances.
    (iii) At all points of time the Mutual Fund scheme shall comply with the provisions at paragraph (i) and (ii) above. In case of any passive breach of the requirement at paragraph (i), the respective scheme shall have 7 trading days to rebalance the portfolio. During the rebalancing period, no additional call options can be written in the said scheme.
    (iv) In case the Scheme needs to sell securities on which a call option is written under a covered call strategy, it must ensure compliance with paragraphs (i) and (ii) above while selling the securities.
    (v) In no case, the scheme shall write a call option without holding the underlying equity shares. A call option can be written only on shares which are not hedged using other derivative contracts.
    (vi) The premium received shall be within the requirements prescribed in terms of Paragraph 13.18.3 of SEBI Master Circular for Mutual Funds dated March 20,2026 i.e. the total gross exposure related to option premium paid and received must not exceed 20% of the net assets of the scheme.
    (vii) The exposure on account of the call option written under the covered call strategy shall not be considered as exposure in terms of Paragraph 13.15.1 of SEBI Master Circular for Mutual Funds dated Mach 20,2026.

a. The Scheme shall participate in repos in corporate debt securities as per the guidelines issued by SEBI and/ or RBI from time to time and the guidelines framed by the Board of Directors of Trustee Company and the Asset Management Company, from time to time.

At present the following conditions and norms shall apply to repo in corporate debt securities:

(i) The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme.
(ii) The total cumulative gross exposure (i.e. Repo + Equity + Debt + Derivatives) shall not exceed 100% of the net assets of the scheme.
(iii) The Scheme shall participate in repo transactions only in Listed AA, and above rated corporate debt securities, Commercial Papers (CPs) and Certificates of Deposits (CDs).
(iv) The Scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.
(v) The Trustee and the Asset Management Company have framed guidelines interalia considering the following aspects:
    i. Category of counterparty
    ii. Credit rating of counterparty
    iii. Tenor of collateral
    iv. Applicable haircuts
(vi) Counterparty selection & credit rating
    The counterparty must be an acceptable counterparty for debt transactions. The Mutual Fund follows a counterparty empanelment process for fixed income transactions and the same shall be used for selection of counterparties for corporate bond repos. All repo transactions in corporate bonds will be governed by a repo agreement as specified by FIMMDA and / or other specified authorities.
(vii) Collateral tenor & quality
    The exposure limit/investment restrictions prescribed under the Sixth Schedule of the Regulations and circulars issued there under (wherever applicable) shall be applicable to repo transactions in corporate bonds. The Scheme shall further follow guidelines framed by Trustee and the AMC from time to time.
(viii) Applicable haircuts

Currently mutual funds are permitted to carry out repo transactions in government securities without any haircuts. The Reserve Bank of India has notified a minimum haircut based on rating of the corporate bond and other securities. In addition, the Fixed Income and Money Market Dealers Association (FIMMDA) would maintain a rating-haircut matrix on an ongoing basis. The Scheme shall further follow guidelines framed by Trustee and the AMC from time to time.

The haircuts seek to protect the lender of funds from the event of the counterparty failing to honor the repurchase leg of the repo. In such a circumstance, the Fund would suffer a loss if the value of the collateral depreciates by more than the haircut. The fall in the value of the collateral could be on account of higher yields and/ or deterioration of credit quality.

As the typical tenor of repos is short (typically overnight), the haircuts represent a relatively high degree of safety in relation to the interest rate risk on the collateral. The risk of collateral depreciation based on historical volatility is given in the table below:

| Bond Tenor (yrs) | 1 | 3 | 5 | 10 |
|---|---|---|---|---|
| Price Volatility (%) (annualized) | 0.6 | 1.2 | 1.7 | 3.4 |
| Repo Tenor | Number of standard deviations needed to lose 10% | | | |
| 1 day | 258 | 136 | 94 | 48 |
| 7 days | 98 | 52 | 36 | 18 |

In the above table, the price volatility of a 10-year bond is about 3.4% annualized. That is a 10% price move represents nearly a 3-sigma event on an annualized basis. For overnight tenors, this represents a 48-sigma event (for comparison a 6-sigma event occurs about once in a million observations).

It is apparent that the haircuts stipulated by RBI are more than sufficient to mitigate interest rate risk. Credit event risk remains (the collateral could default during the tenor of the repo). This risk is to be mitigated by ensuring that the collateral is acceptable from a credit point of view.

19. The mutual fund under all its schemes shall not own more than 10% of units issued by a single issuer of InvIT.
    The Scheme shall not invest –
    i. more than 10% of its NAV in the units of InvIT; and
    ii. more than 5% of its NAV in the units of InvIT issued by a single issuer.

    The exposure limit/ investment restrictions prescribed under the Sixth Schedule of the Regulations and circulars issued there under (wherever applicable) shall be applicable to repo transactions in corporate bonds.

    The Scheme will comply with the other Regulations applicable to the investments of Mutual Funds from time to time.

    All the investment restrictions will be applicable at the time of making investments.

    The AMC/Trustee may alter these above stated restrictions from time to time to the extent the Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective.

## C. FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the scheme, in terms of Paragraph 1.9 of SEBI Master Circular for Mutual Fund dated March 20, 2026:

### (i.) Type of a Scheme

-An open ended equity scheme investing across Large Cap, Mid Cap and Small Cap Companies.
-Equity Scheme- Multi Cap Fund

### (ii.) Investment Objective:

**Main Objective - Growth**
The primary investment objective of the scheme is to generate consistent returns by investing in a portfolio primarily constituting of equity & equity related instruments of Large Cap, Mid Cap and Small Cap companies. The AMC will have the discretion to completely or partially invest in any of the type of securities stated above with a view to maximize the returns or on defensive considerations. There is no assurance that the investment objective of the Scheme will be achieved. As actual market movements may be at variance with anticipated trends.

**Investment Pattern:** Please refer to 'How will the Scheme Allocate its Assets?' under the Part II 'INFORMATION ABOUT THE SCHEME'.

### (iii.) Terms of Issue

- Liquidity provisions such as listing, repurchase, redemption. (please refer to relevant provisions on listing, repurchase, redemption in section II 'Other Scheme Specific Disclosures)
- Aggregate fees and expenses charged to the scheme (please refer to ANNUAL SCHEME RECURRING EXPENSES under Part III – Other Details).
- Any safety net or guarantee provided -
  This Scheme does not provide any guaranteed or assured return.

In accordance with Regulation 22(9)(c)) of the SEBI (MF) Regulations, 2026 and Paragraph 1.9.2 of SEBI Master Circular for Mutual Funds dated March 20, 2026 the Trustees 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 interests of Unitholders is carried out unless:

- SEBI has reviewed and provided its comments on the proposal
- A written communication (including digital modes such as email/sms etc.) about the proposed change is sent to each Unitholder and details as specified by the Board are appropriately displayed on the website of the AMC; and
- The Unitholders are given an option for a period of atleast 30 calendar days to exit at the prevailing NAV without any exit load.

**D. OTHER SCHEME SPECIFIC DISCLOSURES:**

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| **Listing and transfer of units** | **Listing:**<br>The Scheme is an open ended scheme under which sale and repurchase will be made on a continuous basis and therefore listing on stock exchanges is not envisaged. However, the Trustee reserves the right to list the units as and when considered necessary in the interest of Unit holders of the Fund.<br><br>**Transfer of Units**:<br>Unless otherwise restricted or prohibited, units shall be freely transferable by act of parties or by operation of law. Transfer of units will be subject to submission of valid documents and fulfillment of the eligibility requirements by the unitholder/investor as stated under prevailing AMFI / SEBI guidelines from time to time.<br>For more details, **refer SAI.** |
| **Dematerialization of units** | The Unit holders would have an option to hold the Units in demat form or account statement (non-demat) form. Units held in Demat Form are freely transferable. The Applicant intending to hold Units in demat 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. |
| **Minimum Target amount**<br>**(This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return.)** | Not Applicable |
| **Maximum Amount to be raised (if any)** | Not Applicable |
| **Dividend Polic y (IDCW)** | Under the IDCW option, the Trustee will have the discretion to declare the IDCW, subject to availability of distributable surplus calculated in accordance with the Regulations. The actual declaration of IDCW and frequency will inter-alia, depend on availability of distributable surplus calculated in accordance with SEBI (MF) Regulations and the decisions of the Trustee shall be final in this regard. There is no assurance or guarantee to the Unit holders as to the rate of IDCW nor that it will be paid regularly.<br><br>The AMC/Trustee reserves the right to change the frequency of declaration of IDCW or may provide for additional frequency for declaration of IDCW.<br><br>**IDCW Distribution Procedure**<br>In accordance with Chapter 12 of SEBI Master Circular for Mutual Funds dated March 20, 2026, the procedure for distribution would be as under:<br>1. Quantum of IDCW and the record date will be fixed by the |

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| | Trustee. IDCW so decided shall be paid, subject to availability of distributable surplus.<br>2. Within one calendar day of the decision by the Trustees, AMC shall issue notice to the public communicating the decision including the record date. The record date shall be 2 Business Days from the date of publication in at least one English newspaper or in a newspaper published in the language of the region where the Head Office of the mutual fund is situated, whichever is issued earlier.<br>3. Record date shall be the date, which will be considered for the purpose of determining the eligibility of investors whose names appear on the register of Unit holders for receiving IDCW.<br>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).<br>5. The NAV will be adjusted to the extent of IDCW distribution and statutory levy, if any, at the close of business hours on record date. Before the issue of such notice, no communication indicating the probable date of IDCW declaration in any manner whatsoever will be issued by Mutual Fund. |
| **Allotment (Detailed procedure)** | All Applicants whose monies towards purchase of Units have been realised by the Fund will receive a full and firm allotment of Units, provided also the applications are complete in all respects and are found to be in order. Any application for subscription of units may be rejected if found invalid, incomplete or due to unavailability of underlying securities, etc. Units will be allotted upto 3 decimals. Face Value per unit of all Plans/ Options under the Scheme is Rs. 10. Any application for subscription of units may be rejected if found invalid, incomplete or due to unavailability of underlying securities, etc. Applicants under the Scheme will have an option to hold the Units either in physical form (i.e. account statement) or in dematerialized form.<br>Accordingly, the AMC shall allot units either in physical form (i.e. account statement) or in dematerialized form within 5 working days of receipt of valid application / transaction to the Unitholders.<br><br>**Dematerialization** The Applicants intending to hold the Units in dematerialized mode 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. 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.<br><br>Units held in demat form are freely transferable. If the Unit |

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| | 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. 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. All Units will rank pari passu, among Units within the same Option in the Scheme concerned as to assets, earnings and the receipt of Distributions, if any, as may be declared by the Trustee.<br><br>**Allotment Confirmation**<br>An allotment confirmation specifying the units allotted shall be sent by way of email and/or SMS within 5 working days to the Unit holder's registered e-mail address and/or mobile number.<br><br>Note: Allotment of units will be done after deduction of applicable stamp duty, if any. |
| **Refund** | If application is rejected, full amount will be refunded within 5 working days of closure of NFO. If refunded later than 5 working days @ 15% p.a. for delay period will be paid and<br>charged to the AMC. |
| **Who can invest**<br>**This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their 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 provided they are not prohibited by any law/ Constitutive documents governing them:<br><br>1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis;<br>2. Karta of Hindu Undivided Family (HUF);<br>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 holdingin a minor's folio. Payment for investment shall be accepted from the bank account of the minor, parent or legal guardian of the minor or from a joint account of the minor with the parent or legal guardian.<br>4. Partnership Firms & Limited Liability Partnerships (LLPs);<br>5. Companies, Bodies Corporate, Public Sector Undertakings, Association of Persons or bodies of individuals and societies registered under the Societies Registration Act, 1860, CoOperative Societies registered under the Co-Operative Societies Act, 1912, One Person Company;<br>6. Banks & Financial Institutions;<br>7. Mutual Funds/ Alternative Investment Funds registered with SEBI;<br>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; |

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| | 9. Non-resident Indians (NRIs)/Persons of Indian Origin residing abroad (PIO)/ Overseas Citizen of India (OCI) on repatriation basis or on non-repatriation basis; 10. Foreign Portfolio Investors (FPI) registered with SEBI in accordance with applicable laws;<br>10. Army, Air Force, Navy and other paramilitary units and bodies created by such institutions;<br>11. Council of Scientific and Industrial Research, India;<br>12. Multilateral Financial Institutions/ Bilateral Development Corporation Agencies/ Bodies Corporate incorporated outside India with the permission of Government of India/Reserve Bank of India;<br>13. Other Schemes of quant Mutual Fund subject to the conditions and limits prescribed by SEBI (MF) Regulations;<br>14. Trustee, AMC, Sponsor and their associates may subscribe to Units under the Scheme;<br>15. Such other category of investors as may be decided by the AMC / Trustee from time to time provided their investment is in conformity with the applicable laws and SEBI (MF) Regulations.<br><br>Note:<br>1. Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) residing abroad / Overseas Citizens of India (OCI) / Foreign Portfolio Investors (FPIs) 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.<br>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.<br>3. Investors desiring to invest / transact in mutual fund schemes are required to mandatorily furnish PAN (PAN of the guardian in case minor does not have a PAN) and 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 including in case of non-individuals 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) |

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| | 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. Where the Units are held by a Unit holder in breach of any Regulations, AMC / the Fund may effect compulsory redemption of such units. 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.<br>4. The Trustee reserves the right to recover from an investor any loss caused to the Scheme on account of dishonour of cheques issued by the investor for purchase of Units of this Scheme. 5. Subject to the SEBI (MF) Regulations, the Trustee may inter-alia reject any application for the purchase of Units if the application is invalid or incomplete or non-permissible under law 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. |
| **Who cannot invest** | The aforementioned persons/entities as specified under section **"Who Can Invest?"** shall not be eligible to invest in the Scheme, if such persons/entities are: 1. United States Person (U.S. person*) as defined under the extant laws of the United States of America, except the following:<br>a. NRIs/PIOs may invest/transact, in the Scheme, when present in India, as lump sum subscription, redemption and/or switch transaction and registrations of systematic transactions only through physical form and upon submission of such additional documents/undertakings, etc., as may be stipulated by AMC/ Trustee from time to time and subject to compliance with all applicable laws and regulations prior to investing in the Scheme.<br>b. FPIs may invest in the Scheme as lump sum subscription and/or switch transaction (other than systematic transactions) through submission of physical form in India, subject to compliance with all applicable laws and regulations and the terms, conditions, and documentation requirements stipulated by the AMC/Trustee from time to time, prior to investing in the Scheme.<br><br>The Trustee/AMC reserves the right to put the transaction requests received from such U.S. person on hold/reject the transaction request/redeem the units, if allotted, as the case may be, as and when identified by the AMC that the same is |

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| | not in compliance with the applicable laws and/or the terms and conditions stipulated by Trustee/AMC from time to time. Such redemptions will be subject to applicable taxes and exit load, if any.<br><br>The physical application form(s) for transactions (in nondemat mode) from such U.S. person will be accepted ONLY at the Investor Service Centres (ISCs) of quant Money Managers Limited (AMC). Additionally, such transactions in physical application form(s) will also be accepted through Distributors and other platforms subject to receipt of such additional documents/undertakings, etc., as may be stipulated by AMC/ Trustee from time to time from the Distributors/ Investors.<br><br>2. Residents of Canada;<br><br>3. Investor residing in any Financial Action Task Force (FATF)designated High Risk jurisdiction.<br><br>*The term "U.S. person" means any person that is a U.S. person within the meaning of RegulationS under the Securities Act of 1933 of U.S. or as defined by the U.S. Commodity Futures Trading Commission or as per such further amended definitions, interpretations, legislations, rules etc, as may be in force from time to time. |
| **How to Apply and other details** | The Applications Forms shall be made available at Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of Mutual Fund and/ or may be downloaded from the website of AMC www.quantmutual.com.<br>For further details, refer to the SAI and Application form for the instructions.<br><br>1 The list of the Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of the Mutual Fund will be provided on the website of the AMC https://quantmutual.com/about-us/contact-us.<br><br>2. Please refer the last page of SID for Name, address and contact no. of Registrar and Transfer Agent (R&T), email id of R&T, website address of R&T, official points of acceptance.<br><br>As per the directives issued by SEBI it is mandatory for an investor to declare his/her bank account number. To safeguard the interest of Unitholders from loss or theft of their refund orders/redemption cheques, investors are requested to provide their bank details in the Application Form.<br><br>In case an existing Unitholder is submitting a request for Change in his Bank Details, he needs to submit a copy of cancelled cheque leaf of the new bank account or Bank statement of the new bank account attested by his banker with seal & signature of banker or letter from the Banker of the investor. In absence of the same, the request for Change in Bank Mandate is liable to be rejected. |

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| | Investors are required to note that it is mandatory to mention their bank account numbers in their applications/requests for redemption. At the time of redemption, investors can select the bank account to receive the amount. |
| **The policy regarding reissue 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.** | **SUSPENSION OF SALE OF UNITS OF THE SCHEME**<br>The Mutual Fund at its sole discretion reserves the right to withdraw the Sale of Units i.e. subscriptions in the Scheme(s) (including any one Plan/ Option) 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 or if in the view of AMC/Trustee 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. Further, the indicative list of circumstances under which sale of units may temporarily be suspended is as follows:<br>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.<br>2. In case of natural calamities, war, strikes, riots and bandhs.<br>3. In the event of any force majeure or disaster that affects the normal functioning of the AMC or the Official Point(s) of Acceptance<br>4. If so directed by SEBI.<br><br>**RIGHT TO RESTRICT REDEMPTION AND / OR SUSPEND REDEMPTION OF THE UNITS as per paragraph Paragraph 5.3 of SEBI Master Circular for Mutual Funds dated March 20, 2026 as may be amended from time to time):**<br>The Fund at its sole discretion reserves the right to restrict Redemption (including switch- out) of the Units (including Plan /Option) of the Scheme of the Fund upon occurrence of the below mentioned events for a period not exceeding ten (10) working days in any ninety (90) days period subject to approval of the Board of Directors of the AMC and the Trustee. The restriction on Redemption (including switch-out) shall be applicable where the Redemption (including switch-out) request is for a value above Rs. 2,00,000/- (Rupees Two Lakhs). Further, no restriction shall be applicable to the Redemption / switch-out request upto Rs. 2,00,000/- (Rupees Two Lakhs). It is further clarified that, in case of redemption request beyond Rs. 2,00,000/- (Rupees Two Lakhs), no restriction shall be applicable on first Rs. 2,00,000/- (Rupees Two Lakhs). |

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| | The Trustee / AMC reserves the right to restrict Redemption or suspend Redemption of the Units in the Scheme of the Fund on account of circumstances leading to a systemic crisis or event(s) that severely constrict market liquidity or the efficient functioning of the markets.<br><br>A list of such circumstances under which the restriction on Redemption or suspension of Redemption of the Units in the Scheme of the Fund may be imposed are as follows:<br>1. Liquidity issues- when market at large becomes illiquid affecting almost all securities rather than any issuer specific security; or<br>2. Market failures / exchange closures; or<br>3. Operational issues; or<br>4. If so directed by SEBI.<br><br>It is clarified that since the occurrence of the abovementioned eventualities have the ability to impact the overall market and liquidity situation, the same may result in exceptionally large number of Redemption requests being made and in such a situation the indicative timelines, if any mentioned by the Fund in the scheme offering documents, for processing of requests for Redemption may not be applicable.<br><br>Any restriction on Redemption or suspension of Redemption of the Units in the Scheme(s) of the Mutual Fund shall be made applicable only after specific approval of the Board of Directors of the AMC and Trustee Company and thereafter, immediately informing the same to SEBI.<br><br>The AMC / Trustee reserves the right to change / modify the provisions of right to restrict Redemption and / or suspend Redemption of the Units in the Scheme of the Fund. |
| **Cut off timing for subscriptions/ redemptions/ switches**<br><br>This is the time before which your application (complete in all respects) should reach the official points of acceptance. | Cut off timing for subscriptions/ redemptions/ switches: 3.00 p.m.<br><br>The below cut-off timings and applicability of NAV shall be applicable in respect of valid applications received at the Official Point(s) of Acceptance on a Business Day:<br><br>**A] For Purchase (including switch-in) of any amount:**<br><br>• In respect of valid applications received upto 3.00 p.m. and where the funds for the entire amount are available for utilization before the cut-off time i.e. credited to the bank account of the Scheme before the cut-off time - the closing NAV of the day shall be applicable.<br><br>• In respect of valid applications received after 3.00 p.m. and where the funds for the entire amount are credited to the bank account of the Scheme either at any time on the same day or 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. |

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| | • Irrespective of the time of receipt of application, where the funds for the entire amount are credited to the bank account of 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.<br><br>**B] For Switch-ins of any amount: For determining the applicable NAV, the following shall be ensured:**<br><br>• Application for switch-in is received before the applicable cutoff time.<br><br>•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.<br><br>• The funds are available for utilization before the cut-off time.<br><br>• In case of 'switch' transactions from one scheme to another, the allocation shall be in line with redemption payouts.<br><br>**C]For Redemption (including switch-out) applications**<br>● 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.<br>● 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.<br><br>To clarify, for investments through systematic investment routes such as Systematic Investment Plans (SIP), Systematic Transfer Plans (STP), etc. the units will be allotted as per the closing NAV of the day on which the funds are available for utilization by the Target Scheme irrespective of the installment date of the SIP, STP or record date of dividend etc. |
| **Minimum amount for purchase/ redemption/ switches** | **Minimum amount for Purchase/Switch in**<br>Rs. 5,000/- and in multiples of Re. 1/- thereafter<br><br>**Minimum Additional Purchase/Switch in Amount**<br>Rs. 1,000/- and in multiples of Re. 1/- thereafter<br><br>**Non applicability Minimum Application Amount (Lump-sum) and Minimum Redemption amount**<br><br>Paragraph 7.14 of SEBI Master Circular for Mutual Funds dated March 20, 2026 has mandated that the AMC shall invest a certain percentage of the renumeration of such employees as specified by SEBI in units of the Mutual Fund schemes based on the roles of the Designated Employees. .<br><br>In accordance with the regulatory requirement, the minimum application amount and minimum redemption amount wherever specified will not be applicable for investment made in schemes of the Fund in compliance with the aforesaid circular(s). |

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| | **Minimum Redemption Amount/Switch Out**<br>There will be no minimum redemption criterion. 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 (subject to release of pledge / lien or other encumbrances). 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. In case a Redemption / Switch-out request received 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.<br><br>In case of Units held in dematerialized mode, the Unit Holder can give a request for Redemption only in number of Units which can be fractional units also. Depository participants of registered Depositories can process only redemption request of units held in demat mode.<br>The AMC/ Trustee reserves the right to change/ modify the terms of minimum redemption amount/switch-out, but not more than the minimum subscription amount. |
| **Accounts Statements** | The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).<br><br>A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month by mail or email on or before 15th of the succeeding month.<br><br>Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 21st day of succeeding month, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable.<br><br>For further details, refer SAI. |
| **Dividend/ IDCW** | The payment of dividend/IDCW to the unitholders shall be made within seven working days from the record date. |
| **Redemption** | The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.<br><br>For list of exceptional circumstances refer Paragraph 15.3.3 of SEBI Master Circular for Mutual Funds dated March 20,2026 . |
| **Bank Mandate** | As per the directives issued by SEBI it is mandatory for an investor to declare his/her bank account number. To safeguard the interest of Unitholders from loss or theft of their |

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| | refund orders/redemption cheques, investors are requested to provide their bank details in the Application Form.<br><br>**Multiple Bank Accounts Registration**<br>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/ IDCW proceeds etc. by providing necessary documents. Investors must specify any one account as the "Default Bank Account".<br><br>**Change in Bank Account**<br>In case an existing Unitholder is submitting a request for Change in his Bank Details, he needs to submit a copy of cancelled cheque leaf of the new bank account or Bank statement of the new bank account attested by his banker with seal & signature of banker or letter from the Banker of the investor. In absence of the same, the request for Change in Bank Mandate is liable to be rejected.<br><br>Investors have an option of registering multiple bank accounts, by submitting the necessary forms & documents. At the time of redemption, investors can select the bank account to receive the amount. |
| **Delay in payment of redemption / repurchase proceeds/dividend** | The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide Paragraph 15.4 of SEBI Master Circular for Mutual Funds dated March 20,2026 by SEBI for the period of such delay.<br><br>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 / unit holders verification of identity or such other details relating to subscription for Units under any applicable law. |
| **Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount** | The unclaimed Redemption and IDCW amounts shall be deployed by the Fund in money market instruments and such other instruments/securities as maybe permitted from time to time. The investment management fee charged by the AMC for managing such unclaimed amounts shall not exceed 50 basis points. The circular also specifies that investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing NAV. Thus, after a period of three years, this amount can be transferred to a pool account and the investors can claim the said amounts at the NAV prevailing at the end of the third year. In terms of the circular, the onus is on the AMC to make a continuous effort to remind investors through letters to take their unclaimed amounts. The details of such unclaimed amounts shall be disclosed in the annual report sent to the Unitholders https://app.mfcentral.com/links/inactive-folios |

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| **Disclosure w.r.t investment by minors** | Payment for investment by means of Cheque, Demand Draft or any other mode shall be accepted from the bank account of the minor or from a joint account of the minor with the guardian only. For existing folios, the AMCs will change the Pay - out Bank mandate before redemption is processed.<br><br>Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account. No further transactions shall be allowed till the status of the minor is changed to major.<br><br>The claimant has to submit the Transmission Request Form (TRF) and NOC form along with the prescribed common set of documents. All such forms and formats are available on AMC website, RTA and AMFI.<br><br>AMCs shall not accept requests for redemption from a claimant pending completion of the transmission of units in his / her favour.<br><br>The Stamp duty is payable by the claimant with respect to the indemnity bond and affidavit, shall be in accordance with the stamp duty prescribed by law. |

**III. OTHER DETAILS**

**A. In case of Fund of Funds Scheme, Details of Benchmark, Investment objective, Investment Strategy, TER, AUM, Year wise performance, Top 10 holding/ link to Top 10 holding of the underlying fund should be provided**

Not Applicable

**B. Periodic Disclosures such as monthly disclosures, half yearly results, annual report**

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| **Monthly Disclosure** | The Mutual Fund shall disclose the Portfolio of the Scheme as on the last day of the month on its website: https://quantmutual.com/statutory-disclosures on or before the tenth day of the succeeding month in the prescribed format.<br><br>AMC shall declare on their website the hosting of the monthly statement of its schemes portfolio on their website and on the website of AMFI.<br><br>In case of unitholder whose email addresses are registered with the Fund, the portfolios disclosed as above shall be sent to the unitholders via email. The unitholders whose e-mail address are not registered with the Fund are requested to update / provide their email address to the Fund for updating the database. Investors may also place a specific request through modes such as SMS, telephone, email or written request (letter) for a physical or electronic copy of the statement of scheme portfolio. |

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| **Half Yearly Results** | The Mutual Fund shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on the website of the AMC and AMFI.<br><br>Written communication (including digital modes such as email/SMS etc.) shall be sent to unitholders by the asset management company about the availability of financial results. |
| **Annual Report** | The scheme wise annual report, in machine readable format, shall be hosted on the website of the AMCs and on the website of AMFI. The AMCs shall display the link prominently on their websites and make the physical copies available to the unit holders, at their registered offices at all times.<br><br>The websites of the AMCs shall also be linked with AMFI website so that the investors and analyst(s) can access the annual reports of all mutual funds at one place.<br><br>AMCs shall send an email/SMS to all unitholders regarding the hosting of scheme wise annual report on their website and on the website of AMFI.<br><br>AMCs shall e-mail the scheme annual reports or abridged summary thereof, in machine readable formats, to all such unit holders, whose email addresses are registered with the Mutual Fund, within 4 months from the date of closure of the relevant financial year. The said communication shall also include details of modes such as SMS, telephone, email or written request (letter), etc. through which unit holders can submit a request for a physical copy of the scheme wise annual report or abridged summary thereof.<br><br>AMC shall provide physical copy of the abridged summary of the Annual Report without any cost, if a request through any mode is received from a unitholder. The full annual report shall be available for inspection at the Head Office of the Mutual Fund and a copy shall be made available to the Unit holders on request on payment of nominal fees. |
| **Product Labeling** | Risk-o-meter forms part of the Product labeling and depicts Risk level of the scheme. The risk-o-meter of the scheme shall be in accordance with Paragraph 6.16 of SEBI Master Circular for Mutual Funds dated March20, 2026 and the same shall be evaluated and updated on a monthly basis. |
| **Disclosure of Risk-o-meter of schemes and benchmark** | In terms of with Paragraph 6.16 of SEBI Master Circular for Mutual Funds dated March 20, 2026 , the risk-o-meter of the schemes and benchmark shall be disclosed while disclosing the performance of the schemes from time to time. |
| **Disclosure of Scheme Summary Document** | The Scheme Summary Document of each scheme shall be disclosed on AMC website and to be uploaded AMFI portal in three different formats, ie. Pdf, excel and xml. |

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| **AMFI Best Practice Guidelines Circular No.118 /2024-25) on Acceptance of financial transactions through email in respect of non-individual investor.** | Non-individual Investors are requested to note the following:<br>1.Risks Involved in Transacting via Email The Non-individual investor acknowledges and accepts the inherent risks associated with conducting financial transactions via email. Theserisks include, but are not limited to, the possibility of unauthorized access to email communications, transmission delays, data loss, or alteration due to technical glitches or cyberattacks, which could impact the completeness or accuracy of the transaction. Additionally, emails may be susceptible to interception, unauthorized access, and other security vulnerabilities, which could lead to fraudulent transactions. Therefore, investors must be cautious while initiating financial transactions via email and should ensure the confidentiality and integrity of their communication.<br>2.Limitation of Liability of AMC / RTA The Asset Management Company (AMC) and the Registrar and Transfer Agent (RTA) shall not be held liable for any loss or damage caused by the non-receipt or delay in receiving any transaction sent by the investor via email. This includes situations where emails are not delivered, are delayed, or are intercepted due to issues beyond the control of the AMC or RTA, including but not limited to, technical failures, service provider errors, or unauthorized access to the email account. The AMC and RTA will not be responsible for any transactions that are erroneously processed or not processed due to such issues. The liability of the AMC and RTA is limited solely to the extent of ensuring that the transaction is processed once received in the proper format and within a reasonable timeframe, subject to system availability and security checks.<br>3.Security Measures to Ensure Safe Email Communication The AMC and RTA are committed to ensuring the highest level of security for email communications and shall implement appropriate safeguards. These measures include the use of encrypted email services, secure authentication protocols, and virus/malware scanning for all incoming and outgoing emails. Additionally, access to email accounts and transaction systems shall be restricted to authorized personnel only, and multi-factor authentication will be employed to verify the identity of the individuals initiating transactions. The AMC shall take all reasonable steps to prevent unauthorized access, disclosure, or alteration of the financial data transmitted via email.<br>4.Retention of Transaction RecordsThe AMC and RTA will retain records of all transactions routed via email in accordance with applicable laws and regulations. These records will include, but are not limited to, transaction requests, email correspondence, and confirmation receipts, for a minimum period as mandated by regulatory authorities. The Non-Individual investor agrees that these records shall be stored in a secure digital format to ensure their integrity and availability for future reference. In addition, the AMC shall maintain an audit trail for each transaction, allowing for the traceability of emails and the status of each request submitted via email.<br>5.Procedure for Addition/Deletion of Authorized Signatories The facility to transact via email shall follow an appropriate procedure for the addition or deletion of authorized signatories. Such changes must be communicated to the AMC through a formal notification, in the form of a signed letter or email from the authorized representative of the entity, accompanied by the requisite board resolution or authority letter. The AMC shall process these changes only upon receipt of valid documentation confirming the updated list of authorized signatories. These changes will only be effective once the AMC has acknowledged receipt and validation of the notification. |

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| | 6.Authorization for Non-Individual Investors For non-individual investors, including registered mutual fund distributors or third parties authorized by the investor, to submit financial transactions via email on behalf of the entity, the AMC and RTA require prior written authorization from the investor. This authorization should clearly state the scope of authority granted to the third party and must be submitted with each transaction request. The AMC will accept such transactions only if the relevant authorization documents are in place and the email corresponds with the pre-registered contact information for the entity or authorized third party.<br>7.Security Procedures for Transaction Confirmation To confirm and authenticate email-based financial transactions, the AMC will employ a range of security procedures, including digital signatures, encrypted communication, and multi-step verification processes. These procedures are designed to verify that the transaction is genuinely authorized by the investor and ensure that the instructionshave not been tampered with. Upon receipt of an email transaction, the AMC will conduct thorough checks to confirm the authenticity of the request, including comparing it against the pre-registered information (email addresses, signatories, etc.). Only upon successful verification will the transaction be processed.<br>8.Electronic Time Stamping and Audit Trail for Email Transactions Each transaction processed via email shall be subject to an electronic time-stamping mechanism that records the exact time and date of receipt. This time stamp will serve as a reference point for any future inquiries or disputes regarding the transaction. Furthermore, AMC shall maintain an audit trail, tracking all actions related to the email transaction, including receipt, verification, and processing. The audit trail will provide transparency, ensure accountability, and facilitate the resolution of any issues related to email-based transactions.<br>9.Change in Registered Email Address / Contact Details Any change in the registered email address or contact details of the entity must be communicated to the AMC via a physical letter, including a scanned copy, signed by the designated authorized officials of the entity. This change request must also be supported by a copy of the relevant board resolutions or authority letter from the entity, issued on the official letterhead. The AMC will not accept email requests for such changes. Further, changes in the registered email address will not be processed unless the request complies with these requirements. This ensures that only authorized personnel can modify the contact details associated with the Non-individual investor's account.<br>10.Changes in Bank Mandate No changes to the bank mandate (including adding or modifying bank account details) will be accepted via email. Such changes must be submitted using the prescribed service request form, duly signed by the entity's authorized signatories. The form must also be accompanied by the wet signatures of the designated officials of the entity. This ensures the authenticity and validity of any change in the bank details associated with the Non- individual Investor's account, and that no unauthorized modifications are made via email.<br>11.Digital Signatures and Validity of Electronically Executed Documents In case of any document executed electronically, the AMC recognizes the validity of Digital Signature Certificates (DSCs) or Aadhaar-based e-signatures provided by the authorized officials of the entity. These digitally signed documents will be treated as legally binding and valid, even if they are not sent from the registered email address of the authorized officials. However, the email domain from which the document is sent must match the official domain name of the entity. Such documents, when executed with a valid DSC or e-signature, will be processed by the AMC without requiring further verification through physical signatures. |

**C. TRANSPARENCY/NAV DISCLOSURE (DETAILS WITH REFERENCE TO INFORMATION GIVEN IN SECTION I)**

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| **Net Asset Value**<br><br>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. | The NAVs will be calculated and disclosed on all the Business Days. The AMC shall update the NAVs on the website Association of Mutual Funds in India - AMFI (www.amfiindia.com) before 11.00 p.m. on every Business Day and shall also update the NAVs on the website of AMC (www.quantmutual.com) before 11.00 p.m. on every Business Day for a given business day. If the NAVs are not available before the 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 NAV.<br><br>**In case, the investment strategy invests in ETCDs:**<br><br>The AMC shall update the NAVs on website of the Association of Mutual Funds in India – AMFI (www.amfiindia.com) and the website of AMC (www.quantmutual.com) before 09.00 a.m. on the following calender day.<br><br>Information regarding NAV can be obtained by the Unit holders / Investors by calling or visiting the nearest ISC. |

**D. TRANSACTION CHARGES AND STAMP DUTY**

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| **Transaction Charges** | Not Applicable |
| **Stamp Duty** | Mutual fund units issued against Purchase transactions (whether through lump-sum investments or SIP or STP or switch-ins or reinvestment under IDCW Option) would be subject to levy of stamp duty @ 0.005% of the amount invested. Transfer of mutual fund units (such as transfers between demat accounts) are subject to payment of stamp duty @ 0.015%. The rate and levy of stamp duty may vary as amended from time to time.<br><br>*Pursuant to Notification No. S.O. 4419(E) dated December 10, 2019 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, and subsequent Notification dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India.<br><br>The stamp duty will be deducted from the net investment amount i.e. gross investment amount less any other deduction like transaction charge. Units will be created only for the balance amount i.e. net investment amount as reduced by the stamp duty. The stamp duty will be computed at the rate of 0.005% on an inclusive method basis. |

**E. ASSOCIATE TRANSACTIONS-**

Please refer to Statement of Additional Information (SAI).

**F. TAXATION**-

The information given herein is as per the prevailing tax laws. For further details on taxation, please refer to the Section on Taxation on investing in Mutual Funds in the Statement of Additional Information (SAI). Investors should be aware that the fiscal rules/ tax laws may change and there can be no guarantee that the current tax position may continue indefinitely. In view of the individual nature of tax implications, investors are advised to consult their professional tax advisor.

| Particulars | Resident Investors | Non-Resident Investors | Mutual Fund (registered with SEBI) |
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| Dividend (TDS)# | 10% | 20%** | Nil |
| Dividend (Tax Rate) | As per Applicable Tax Rates | 20%** | Nil |
| **Capital Gains: Long Term (held for more than 12 months)*** | 12.5%** without Indexation in case of redemption of units where STT is paid on transfer [u/s 198] | 12.5%** without Indexation in case of redemption of units where STT is paid on transfer [u/s 198] | Nil |
| **Short Term (held for not more than 12 months)** | 20%** on redemption of units where STT is paid on transfer (u/s 196) | 20%** on redemption of units where STT is paid on transfer (u/s 196) | Nil |

**Notes:**

1. Income of the Mutual Fund is exempt from income tax in accordance with the provisions of Schedule VII of the Income-tax Act, 2025 ('Act').

2. Equity Scheme(s) will also attract Securities Transaction Tax (STT) at applicable rates.

3. Under the terms of the Scheme Information Document, this Scheme is classified as an "Equity oriented fund".

As per section 198 of the Act, an "Equity oriented fund" has been defined to mean a fund set up under a scheme of a mutual fund specified in Schedule VII of Income Tax Act, 2025 and,

(i) in a case where the fund invests in the units of another fund which is traded on a recognised stock exchange,—
   (A) a minimum of ninety per cent of the total proceeds of such fund is invested in the units of such other fund; and
   (B) such other fund also invests a minimum of ninety per cent of its total proceeds in the equity shares of domestic companies listed on a recognised stock exchange; and

(ii) in any other case, a minimum of sixty-five per cent of the total proceeds of such fund is invested in the equity shares of domestic companies listed on a recognized stock exchange.

Further it is stated that the percentage of equity shareholding or unit held in respect of the fund, as the case may be, shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

4. If the total income of a resident investor (being individual or HUF) [without considering such Long-term capital Gains / short term capital gains] is less than the basic exemption limit, then such Long-term capital gains/short- term capital gains should be first adjusted towards basic exemption limit and only excess

should be chargeable to tax.

5. Non-resident investors may be subject to a separate tax regime / any beneficial tax treatment as per the applicable Tax Treaties, depending upon the facts of the case, satisfaction of certain conditions related thereto and relevant documentation to avail the beneficial tax treatment as per the tax treaty, if any. The same has not been captured above.

6. As per Sec 156 (1) of the Act, an assessee, being an individual resident in India, shall be entitled to a deduction of 100% of income-tax payable or ₹ 12,500, whichever is less, from the income-tax (computed before allowing the deduction under this section) chargeable on the total income for any tax year if such total income does not exceed ₹ 500,000.

As per Sec 156 (2) Where the total income of a resident individual assessee for any tax year is chargeable to tax under section 202(1), then from income-tax (computed before allowing the deduction under this section) following deductions shall be allowed, if—

(a) the income does not exceed twelve lakh rupees, 100% of the income-tax payable or ₹ 60,000, whichever is less;
(b) the total income exceeds twelve lakh rupees and the income-tax payable on such total income exceeds the amount by which the total income is in excess of twelve lakh rupees, an amount equal to the amount by which the income-tax payable on such total income is in excess of the amount by which the total income exceeds twelve lakh rupees.

As per Sec 156 (3) The deduction under sub-section (2), shall not exceed income-tax payable as per the rates provided in section 202(1).

**Aggregate long term capital gains exceeding one lakh twenty-five thousand rupees in a financial year, arising from the transfer of units of an 'equity-oriented fund', equity shares and units of business trust are chargeable to tax at 12.5 per cent (plus the applicable surcharge, health and education cess).*

*** Excluding applicable surcharge and cess.*

*#Section 397 of the Act specifies higher TDS rates in case payee does not have valid PAN and are non-filers of return of income.*

**G. RIGHTS OF UNITHOLDERS - Please refer to SAI for details.**

**H. LIST OF OFFICIAL POINTS OF ACCEPTANCE**:
Details are uploaded on:https://quantmutual.com/QuantTransaction/QuantTransactionApr.html#custom-tabs-four-settings

**I. 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**

Please refer AMC website https://quantmutual.com/Pdf/Penalities.pdf for latest updates.

**Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the guidelines there under shall be applicable.**

**For and on behalf of**
**quant Money Managers Limited**

**Sd/-**

**Sandeep Tandon**
**Director**

**Date:** July 06, 2026
**Place:** Mumbai

**Name, address and contact no. of Registrar and Transfer Agent (R&T):**
**KFin Technologies Limited**
**Unit: quant Mutual Fund**
**Karvy Selenium Tower B, Plot 31-32, Gachibowli,**
**Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032**
**Contact No.: 040-6716 2222**
**Email id of R&T** quantqueries@kfintech.com
**Website address of R&T:** https://www.kfintech.com

**OFFICIAL POINTS OF ACCEPTANCE OF qMF FOR ONGOING TRANSACTIONS**

a. 6th floor, Sea Breeze Building, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025

b. 05/206, Vaibhav Chambers, Madhusudan Kalelkar Rd, Kala Nagar, Bandra East, Mumbai- 400051

**DETAILS OF qMF INVESTOR SERVICE CENTER OFFICES - KFIN TECHNOLOGIES LIMITED**

https://www.kfintech.com/contact-us/#location-container

**"**In addition to the existing official points of acceptance ("OPA") for accepting transactions in the units of the schemes of the quant Mutual Fund as disclosed in the SID, https://www.mfuindia.com/ i.e. online transaction portal of MFU.

quant Money Managers Limited (Investment Manager to quant Mutual Fund)
6th Floor, Sea Breeze Building, AppaSaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, India.
TEL 022-6295 5000 EMAIL help.investor@quant.in WEB www.quantmutual.com

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