



## SCHEME INFORMATION DOCUMENT quant Liquid Fund

(A Liquid Fund - An open ended Liquid Scheme- Relatively Low interest rate risk and moderate Credit Risk)

This product is suitable for investors who are seeking*:	Scheme Riskometer	Benchmark Riskometer
<ul style="list-style-type: none"> <li>To generate income through a portfolio comprising money market and debt instruments</li> </ul>		 AMFI Tier I Benchmark - CRISIL Liquid Debt A-1 Index

\* 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 April 30, 2025.

Potential Risk Class			
Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)		B-I	
Moderate (Class II)			
Relatively High (Class III)			

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	:	6 <sup>th</sup> Floor, Sea Breeze Building, AppaSaheb Marathe Marg, Prabhadevi, Mumbai – 400 025. <a href="http://www.quantmutual.com">www.quantmutual.com</a>
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, 1996, (herein after referred to as SEBI (MF) Regulations or the Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the Asset Management Company (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, Tax and Legal issues and general information on [www.quantmutual.com](http://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 May 30, 2025.

<b>SECTION 1 .....</b>	<b>4</b>
<b>PART I. HIGHLIGHTS/SUMMARY OF THE SCHEME .....</b>	<b>7</b>
<b>DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY .....</b>	<b>9</b>
<b>PART II. INFORMATION ABOUT THE SCHEME .....</b>	<b>10</b>
A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS? .....	10
B. WHERE WILL THE SCHEME INVEST? .....	122
C. WHAT ARE THE INVESTMENT STRATEGIES? .....	12
D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE? .....	13
E. WHO MANAGES THE SCHEME? .....	14
F. HOW IS THE SCHEME DIFFERENT FROM THE EXISTING SCHEMES OF THE MUTUAL FUND? .....	15
G. HOW HAS THE SCHEME PERFORMED? .....	16
H. ADDITIONAL SCHEME RELATED DISCLOSURES .....	17
<b>PART III- OTHER DETAILS .....</b>	<b>18</b>
A. COMPUTATION OF NAV .....	18
B. NEW FUND OFFER (NFO) EXPENSES .....	20
C. ANNUAL SCHEME RECURRING EXPENSES .....	20
D. LOAD STRUCTURE .....	22
<b>SECTION II .....</b>	<b>24</b>
<b>I. INTRODUCTION .....</b>	<b>24</b>
A. DEFINITIONS/INTERPRETATION .....	24
<b>II. INFORMATION ABOUT THE SCHEME: .....</b>	<b>31</b>
A. WHERE WILL THE SCHEME INVEST – .....	31
B. WHAT ARE THE INVESTMENT RESTRICTIONS? .....	36
C. FUNDAMENTAL ATTRIBUTES .....	38
D. OTHER SCHEME SPECIFIC DISCLOSURES: .....	39
<b>III. OTHER DETAILS .....</b>	<b>52</b>
A. PERIODIC DISCLOSURES SUCH AS HALF YEARLY DISCLOSURES, HALF YEARLY RESULTS, ANNUAL REPORT .....	52
C. TRANSACTION CHARGES AND STAMP DUTY .....	55

## SECTION 1

### Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Sr. No.	Title	Description
I.	<b>Name of the scheme</b>	quant Liquid Fund
II.	<b>Category of the Scheme</b>	Debt Scheme-Liquid Fund
III.	<b>Scheme type</b>	An open ended Liquid Scheme Relatively Low interest rate risk and moderate Credit Risk
IV.	<b>Scheme code</b>	QNTM/O/D/LIF/05/09/0007
V.	<b>Investment objective</b>	The investment objective of the scheme is to generate income through a portfolio comprising money market and debt instruments. There is no assurance that the investment objective of the Scheme will be achieved.
VI.	<b>Liquidity/listing details</b>	The Scheme offers Units for Subscription and Redemption at NAV based prices on all Business Days on an ongoing basis, commencing not later than 5 business days from the date of allotment. Under normal circumstances the AMC shall dispatch the redemption proceeds within one working day from date of receipt of valid redemption request from the Unit holder.
VII.	<b>Benchmark (Total Return Index)</b>	<p><b>CRISIL Liquid Debt A-1 Index</b></p> <p>Justification of Benchmark: The scheme is an open ended Liquid Scheme investing debt and money market instruments having maturity upto 91 days. CRISIL LIQUID FUND INDEX has an optimal blend of debt and money market instruments and pursuant to para 1.9 of SEBI Master Circular for Mutual Funds dated June 27, 2024 read with AMFI communication no. 35P/ MEM-COR/ 131 / 2021-22 dated March 31, 2022, the benchmark of open ended debt scheme should be revised as per the Potential Risk Class of the Scheme and hence CRISIL Liquid Debt A-I Index is an appropriate benchmark for the fund.</p> <p>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.</p>
VIII.	<b>NAV disclosure</b>	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 ( <a href="http://www.amfiindia.com">www.amfiindia.com</a> ) before 11.00 p.m. on every Business Day and shall also update the NAVs on the website of AMC ( <a href="http://www.quantmutual.com">www.quantmutual.com</a> ) before 11.00 p.m. on every Business Day. Further Details in Section II.
IX.	<b>Applicable timelines</b>	<p>Timeline for</p> <p>Dispatch of redemption proceeds</p> <p>The redemption or repurchase proceeds shall be dispatched to</p>

		<p>the unitholders within three working days from the date of redemption or repurchase. For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds dated June 27, 2024. A penal interest of 15% p.a. or such other rate as may be prescribed by SEBI from time to time, will be paid in case the payment of redemption proceeds is not made within 3 Working days from the date of redemption.</p> <p>Dispatch of IDCW</p> <p>The payment of dividend/IDCW to the unitholders shall be made within seven working days from the record date. In the event of failure to dispatch IDCW within 7 working days, the AMC shall be liable to pay interest at 15% per annum to the unitholders.</p>
X.	<b>Plan and Options Plans/Options and suboptions under the Scheme.</b>	<p>Investors are offered the following Investment Plan(s) to invest in the Scheme: Each Plan offers Regular Plan and Direct Plan.</p> <p><b>Direct Plan</b> 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.</p> <p><b>Regular Plan</b> Regular Plan is available for all type of investors investing through a Distributor. All the plans will have common portfolio. Options under each Plan(s) Growth Income Distribution cum Capital Withdrawl (IDCW) (Payout and Re-investment Facility) Default Plans Treatment of applications under Direct/ Regular Plans The investor must clearly specify his choice of plan. Investors subscribing under Direct Plan of a Scheme will have to indicate "Direct Plan" against the Scheme name in the application form e.g. "quant Active Fund – Direct Plan". Investors should also indicate "Direct" in the ARN column of the application form.</p> <p><b>Default Plan – Redemption application</b> Where Units under a Scheme are held under both Plans and the redemption / Switch request pertains to the Direct Plan, the same must clearly be mentioned on the request (along with the folio number), failing which the request would be processed from default plan as mentioned under the Plan and Option para above. However, where Units under the requested Option are held only under one Plan, the request would be processed under such Plan.</p> <p>For detailed disclosure on default plans and options, kindly refer SAI.</p>

XI.	Load Structure	<div>Exit Load: <b>As per the below mentioned details:</b></div> <table><tr><th colspan="2">Investor exit upon subscription / switch-In Exit Load as a % of redemption Proceeds</th></tr><tr><td>Day 1</td><td>0.0070%</td></tr><tr><td>Day 2</td><td>0.0065%</td></tr><tr><td>Day 3</td><td>0.0060%</td></tr><tr><td>Day 4</td><td>0.0055%</td></tr><tr><td>Day 5</td><td>0.0050%</td></tr><tr><td>Day 6</td><td>0.0045%</td></tr><tr><td>Day 7 onwards</td><td>0.0000%</td></tr></table> <div>No exit load shall be applicable on switches from Regular Plan to Direct Plan, under the same scheme.</div>	Investor exit upon subscription / switch-In Exit Load as a % of redemption Proceeds		Day 1	0.0070%	Day 2	0.0065%	Day 3	0.0060%	Day 4	0.0055%	Day 5	0.0050%	Day 6	0.0045%	Day 7 onwards	0.0000%
Investor exit upon subscription / switch-In Exit Load as a % of redemption Proceeds																		
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Day 5	0.0050%																	
Day 6	0.0045%																	
Day 7 onwards	0.0000%																	
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	Segragted Portfolio is created for this Scheme. For Details, kindly refer SAI.																
XVIII	Swing pricing disclosure	Not Applicable.																
XIX.	Stock lending/short selling	Yes, the Scheme may engage in stock lending. For Details, kindly refer SAI																
XX.	How to Apply and other details	<div>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.</div> <div>For further details, please refer to the SAI. Details in section II</div>																
XXI.	Investor services	<div>Contact details for general service requests: 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" from 09.00 am to 6.00 pm (Monday to Friday) or email – help.investor@quant.in.</div>																

		<p><b>Contact details for complaint resolution:</b>  Investors can write to  Ms. Sudha Biju,  Chief Investor Relation Officer,  quant Money Managers Ltd.  6th Floor, Sea Breeze Building,  Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025  Tel No. (Board):- 022-6295 5000  E-mail Id- <a href="mailto:help.investor@quant.in">help.investor@quant.in</a>  For any grievances with respect to transactions through NSE/BSE, the investors/Unit Holders should approach the investor grievance cell of the stock exchange.</p>
XXII	<b>Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)</b>	No specific attribute of this scheme.
XXIII	<b>Special product/facility available during the NFO and on ongoing basis</b>	<p><b>Systematic Investment Plan(SIP):</b>  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.</p> <p><b>Systematic Transfer Plan (STP)</b>  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.</p> <p><b>Systematic Withdrawal Plan</b>  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.</p> <p><b>Stock Exchange Infrastructure Facility:</b>  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.</p> <p><b>MF Utility (MFU):</b>  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. All financial and non-financial transactions pertaining to Schemes of Mutual Fund can also be submitted through MFU either electronically or physically through the authorized Points of Service ("POS") of MFUI. The list of POS of MFUI is published on the website of MFUI at "<a href="http://www.mfuindia.com/">http://www.mfuindia.com/</a>" and may be updated from time to time.  Further, Systematic Investment Plan (SIP) / Systematic Withdrawal Plan (SWP) / Systematic Transfer Plan (STP) facilities would be available to the investors. For details, investors/ unit holders are requested to refer to paragraph</p>

		<p>“Special Products available” given in the document under Ongoing Offer Details.</p> <p>For further details of above special products / facilities, For Details, kindly refer SAI</p>
<b>XXIV.</b>	<b>Weblink</b>	<p>TER for last 6 months, Daily TER as well as scheme factsheet shall be made available on <a href="https://quantmutual.com/statutory-disclosures">https://quantmutual.com/statutory-disclosures</a> and <a href="https://quantmutual.com/downloads/factsheet">https://quantmutual.com/downloads/factsheet</a></p>



## **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, 1996 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, 1996 and the guidelines there under shall be applicable.
- (viii) The Trustees have ensured that the quant Liquid Fund approved by them is a new product offered by quant Mutual Fund and is not a minor modification of any existing scheme/fund.

**Date:** May 30, 2025  
**Place:** Mumbai

**Name:** Sandeep Tandon  
**Designation:** Chief Executive Officer

## Part II. INFORMATION ABOUT THE SCHEME

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

Under normal circumstances the asset allocation will be:

Asset Class Allocation	Indicative Allocation (% of net assets)	
	Minimum	Maximum
Debt and money market instruments (with maturity up to 91 days)	0%	100%

Pursuant to SEBI Master Circular dated June 27, 2024, the Scheme shall make investment in / purchase debt and money market securities with maturity of up to 91 days only.

The cumulative gross exposure through debt securities and money market securities/ instruments will not exceed 100% of the net assets of the Scheme.

#### Explanation:

- In case of securities where the principal is to be repaid in a single payout, the maturity of the securities shall mean residual maturity. In case the principal is to be repaid in more than one payout then the maturity of the securities shall be calculated on the basis of weighted average maturity of the security.
- In case of securities with put and call options (daily or otherwise) the residual maturity of the securities shall not be greater than 91 days.
- In case the maturity of the security falls on a Non Business Day, then settlement of securities will take place on the next Business Day.

The Scheme retains the flexibility to invest across all the securities in the debt and Money Market Instruments. The Scheme may also invest in units of debt and liquid mutual fund schemes.

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%	Clause 12.11 of SEBI Master Circular dated June 27, 2024
2.	Securitized Debt	Upto 10%	Clause 12.15 of SEBI Master Circular on Mutual Funds dated June 27,2024
3.	Repo in Corporate debt securities	The Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by RBI and SEBI from time to time. 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	Para 12.18 of SEBI Master circular dated June 27, 2024

		guidelines which may be prescribed by the Board of Directors of the Asset Management Company and Trustee Company.	
4.	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 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.	Para 12.16 of SEBI Master circular dated June 27, 2024
5.	Credit Default Swaps	The Scheme shall not invest in Credit Default Swaps.	-

The total exposure in a particular sector (excluding investments in Bank CDs, Tri-party Repo on Government securities or treasury bills, Government Securities, T-Bills, short term deposits of scheduled commercial banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the Scheme. Provided that an additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the Scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only. Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total Investment/exposure in HFCs shall not exceed 20% of the net assets of the Scheme. Further, an additional exposure of 5% of the net assets of the Scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio.

### Portfolio Rebalancing

The investment pattern stated above is indicative and may be changed due to market conditions. The proportion of the scheme invested in each type of security will vary in accordance with microeconomic & macroeconomic conditions, interest rates, and other relevant considerations. These instances may be beyond the control of the fund manager & the AMC and hence may require such deviations only with the prior approval of SEBI. Such changes in the investment pattern will be transitional in nature and will be undertaken as defensive considerations only in accordance with Clause 1.14.1.2 of SEBI Master Circular dated June 27, 2024. Defensive considerations may be determined by the fund manager and in case of deviations on account of exogenous factors, the fund manager will endeavor to rebalance the Scheme within 30 calendar days from the date of such deviation. The intention being at all times to seek to protect the interests of the Unit holders. The risks associated with each investment are an important factor as well. The net assets of this scheme shall predominantly be invested as per the investment pattern stated above.

In the event of any deviations from the mandated asset allocation as mentioned above due to passive breaches, portfolio rebalancing will be carried out by the AMC/Fund Manager within 30 business days of the date of the said deviation. This rebalancing will be subject to prevailing market conditions and in the interest of the investors. In case the rebalancing is not done within the specified period of 30 business days, the matter would be recorded in writing and shall be placed before the Investment Committee. The Investment Committee shall record the reason in writing leading the reason for falling the exposure outside the asset allocation and if so desires, the Committee shall extend the timelines upto 60 (sixty) business days from the date of completion of mandated rebalancing period of 30 business days in line with Clause 2.9 of SEBI Master Circular dated June 27, 2024.

Further, in case, the portfolio of schemes is not rebalanced within the aforementioned both the timelines,

the AMC shall:

- a. Not launch any new scheme till the time the portfolio is rebalanced.
- b. Not levy exit load, if any, on the investor exiting the scheme.

And in line with Clause 2.9 of Master Circular dated June 27, 2024, necessary reporting and disclosures shall be made to Trustees and investors in this regard

## **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. Debt Instruments & Money Market Instruments
2. Securities created and issued by the Central and State Governments
3. Non - Convertible Debentures
4. Securitized Assets
5. Pass through Certificate (PTC)
6. Debt derivative instruments
7. Short Term Deposits
8. Units of Mutual Fund schemes

## **C. WHAT ARE THE INVESTMENT STRATEGIES?**

The Scheme shall invest in debt and money market instruments with residual maturity not exceeding 91 days, subject to regulatory changes from time to time. The Scheme shall endeavour to minimize credit risk and develop a well-diversified portfolio of debt (including securitized debt) and other instruments.

QMML 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 unitholders and if market conditions warrant it. Though every endeavor will be made to achieve the objective of the Scheme, the AMC / Sponsors / Trustee do not guarantee that the investment objective of the Scheme will be achieved. No guaranteed returns are being offered under the Scheme.

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 Regulation 18(15A) of SEBI (Mutual Fund) Regulations, 1996, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors

For detailed derivative strategies, please refer to SAI.

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

CRISIL Liquid Debt A-1 Index

##### **Justification of benchmark:**

The scheme is an open ended Liquid Scheme investing debt and money market instruments having maturity upto 91 days. CRISIL LIQUID Debt A-1 INDEX has an optimal blend of debt and money market instruments and pursuant to para 1.9 of SEBI Master Circular for Mutual Funds dated June 27, 2024 read with AMFI communication no. 35P/ MEM-COR/ 131 / 2021-22 dated March 31, 2022, the benchmark of open ended debt scheme should be revised as per the Potential Risk Class of the Scheme and hence CRISIL Liquid Debt A-1 Index 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	Qualification	Tenure for scheme management	Type and nature of past experience including assignment held during the last 10 years	Other Schemes Managed
Mr. Sanjeev Sharma 49 years	PGDBA (Fin.), M.com CerTM (Treasury & Forex Risk)	Managing the scheme since October 3, 2019	He has total work experience of more than two decade in equity, debt, fund management and treasury operations.	<ul style="list-style-type: none"> <li>• quant Absolute Fund</li> <li>• quant Active Fund</li> <li>• quant BFSI Fund</li> <li>• quant Business Cycle Fund</li> <li>• quant Commodities Fund</li> <li>• quant Consumption Fund</li> <li>• quant Dynamic Asset Allocation Fund</li> <li>• quant ELSS Tax Saver Fund</li> <li>• quant ESG Equity Fund</li> <li>• quant Flexi Cap Fund</li> <li>• quant Focused Fund</li> <li>• quant Gilt Fund</li> <li>• quant Healthcare Fund</li> <li>• quant Infrastructure Fund</li> <li>• quant Large and Mid Cap Fund</li> <li>• quant Large Cap Fund</li> <li>• quant Manufacturing Fund</li> <li>• quant Mid Cap Fund</li> <li>• quant Momentum Fund</li> <li>• quant Multi Asset Fund</li> <li>• quant Overnight Fund</li> <li>• quant PSU Fund</li> <li>• quant Quantamental Fund</li> <li>• quant Small Cap Fund</li> <li>• quant TeCk Fund</li> <li>• quant Value Fund</li> <li>• quant Arbitrage Fund</li> </ul>

Mr. Harshvardhan Bharatia  23 years	Bcom (Honours) in Finance CFA Level-1	Managing the scheme since February 3, 2025	Harshvardhan brings valuable experience in trading global fixed income products, including Secured Overnight Financing Rates (SOFR), Federal Funds Rates (FFR), and Treasury Bonds, from his time at Axxela Research and Analytics. Holding a degree in finance, he leverages various analytical tools to mitigate portfolio risks while maximizing returns. With over a year of experience in the quant MF investment team, Harshvardhan has honed his expertise in credit risk evaluation and interest rate management, skills he uses to strategically position the portfolio for optimal performance.	<ul style="list-style-type: none"> <li>• quant Gilt Fund</li> <li>• quant Overnight Fund</li> </ul>
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#### F. HOW IS THE SCHEME DIFFERENT FROM THE EXISTING SCHEMES OF THE MUTUAL FUND?

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

1. quant Overnight Fund
2. quant Gilt Fund

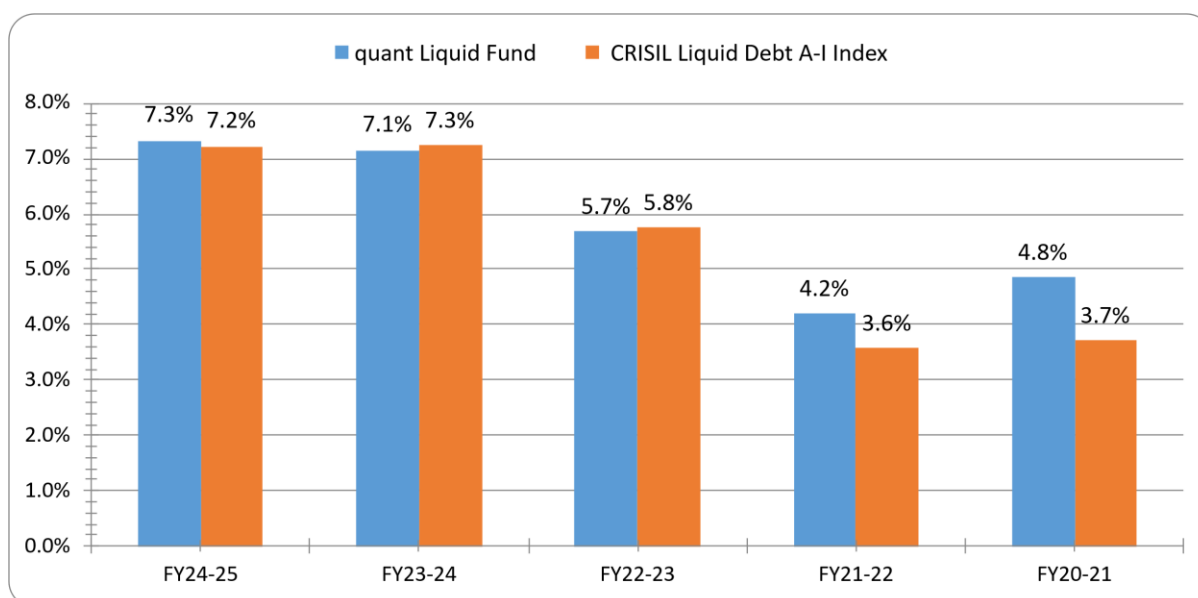
Comparative table of all existing schemes is available on  
<https://quantmutual.com/QuantTransaction/QuantTransaction.html>

## G. HOW HAS THE SCHEME PERFORMED?

Performance of the Scheme (in %) as on March 31, 2025

### (i) DIRECT PLAN

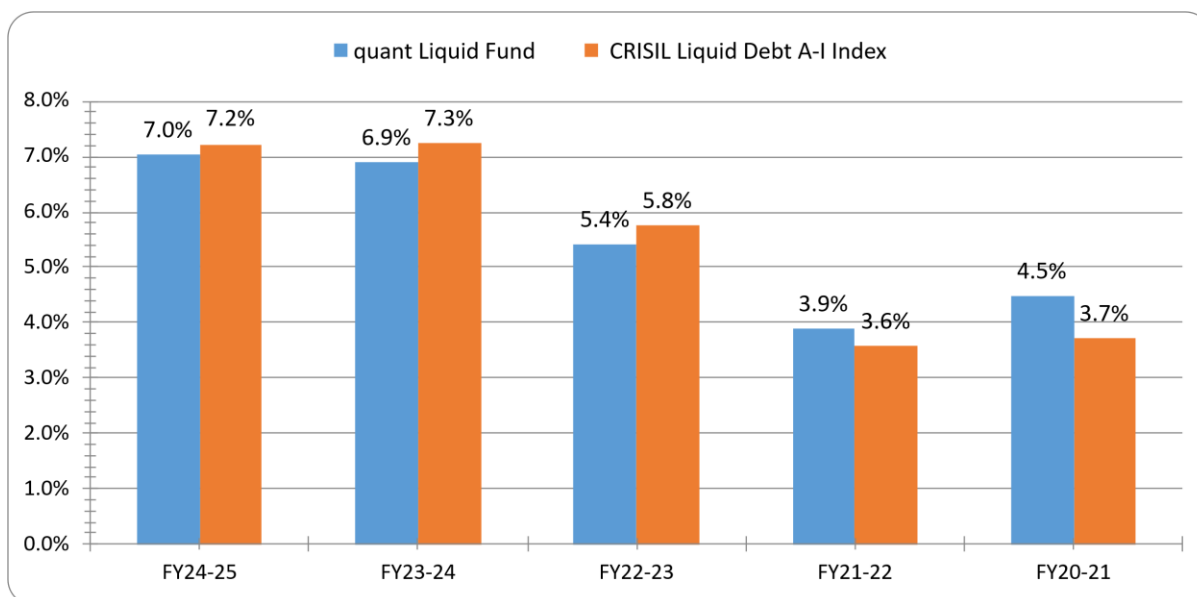
Compounded Annualised Returns	quant Liquid Fund	CRISIL LIQUID DEBT A-I INDEX
Returns for last 1 year	7.35%	7.24%
Returns for last 3 year	6.72%	6.76%
Returns for last 5 year	5.84%	5.51%
Returns since inception	7.24%	6.77%



### (ii) REGULAR PLAN

Compounded Annualised Returns	quant Liquid Fund	CRISIL LIQUID DEBT A-I INDEX
Returns for last 1 year	7.06%	7.24%
Returns for last 3 year	6.45%	6.76%
Returns for last 5 year	5.54%	5.51%
Returns since inception	7.46%	6.80%





## H. ADDITIONAL SCHEME RELATED DISCLOSURES

- Scheme's portfolio holdings - Top 10 holdings by issuer and fund allocation towards various sectors is available on <https://quantmutual.com/downloads/factsheet>
- 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**
- Functional website link for Portfolio Disclosure –
  - For Monthly Portfolio: <https://quantmutual.com/statutory-disclosures>
  - For Half yearly Portfolio: <https://quantmutual.com/statutory-disclosures>
- Portfolio Turnover Rate as on 31.03.2025: - Not Applicable
- Aggregate investment as on March 31, 2025 in the Scheme by:

Sr. No.	Category of Persons	Net Value		Market Value ( in Rs.)
		Units	NAV per unit	
1.	Sanjeev Sharma	7,760.16	41.69	3,23,510.85
2.	Harshvardhan Bharatia	952.32	41.69	39,700.98

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

- 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. As per the existing SEBI (MF) Regulations and circulars issued thereunder, the AMC shall not charge any investment management fee on such investment in the Scheme.

As per the amended regulations i.e. sub -regulation 16(A) in Regulation 25 of SEBI (Mutual Funds) Regulations, 1996 ('MF Regulations'), the asset management companies ('AMCs') are 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 the Board from time to time.

Accordingly, it is decided that based on the risk value assigned to the scheme(s), in terms of Clause 17.4

of Master Circular dated June 27, 2024, the AMC shall invest minimum amount as a percentage of assets under management ('AUM') in their scheme(s) in line with the Clause 6.9 of Master Circular dated June 27, 2024.

### 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 Schedule VIII 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 Eighth 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, investment in foreign securities, 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:

$$\text{NAV (Rs.)} = [(\text{Assets} + \text{Income}) - (\text{Liabilities} + \text{Expenses})] / \text{Number of units outstanding}$$

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 of the Scheme 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	<b>200,000</b>	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. However, the Mutual Fund will ensure that the Redemption Price will not be lower than 95% of the Applicable NAV. 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.

## 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

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

The AMC has estimated that upto 2.00 % of the daily net assets of the Scheme will be charged as expenses. For the actual current expenses being charged, the investor should refer to the website of the AMC [www.quantmutual.com](http://www.quantmutual.com).

Expense Head	% of daily Net Assets
Investment Management and Advisory fees	Upto 2.00%
Trustee fees	
Audit fees	
Custodian fees	
RTA fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and IDCW redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.	
Goods & Service Tax (GST) on expenses other than investment and advisory fees	
GST on brokerage and transaction cost	
Other Expenses*	
<b>Maximum total expense ratio (TER) permissible under Regulation 52(6)(c)</b>	
Additional expenses under regulation 52(6A)(c)	Upto 0.05%
Additional expenses for gross new inflows from specified cities under regulation 52(6A)(b)	Upto 0.30%

\*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.

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 expenses towards Investment Management and Advisory Fees under Regulation 52 (2) and the various sub-heads of recurring expenses mentioned under Regulation 52 (4) of SEBI (MF) Regulations 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 52 (2) and (4) respectively. Further, the additional expenses under Regulation 52(6A)(c) may be incurred either towards investment & advisory fees and/or towards other expense heads as stated above.

These estimates have been made in good faith as per the information available to the Investment Manager and are subject to change inter-se or in total subject to prevailing Regulations.

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

**Expenses charged to the Scheme:**

- A. In addition to the limits as specified in Regulation 52(6) of SEBI (MF) Regulations 1996 or the Total Recurring Expenses (Total Expense Limit) as specified above, the following costs or expenses may be charged to the Scheme namely-

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

- a) expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by SEBI/AMFI from time to time are at least -
- i. 30 per cent of gross new inflows in the Scheme, or;
  - ii. 15 per cent of the average assets under management (year to date) of the Scheme, whichever is higher:

Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub-clause (ii), such expenses on daily net assets of the Scheme shall be charged on proportionate basis.

Provided further that, expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities.

Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the Scheme in case the said inflows are redeemed within a period of one year from the date of investment.

Provided further that, additional TER can be charged based on inflows only from retail investors in terms of Clause 10.1 of Master Circular dated June 27, 2024. For this purpose, inflows of amount upto Rs 2,00,000/- per transaction, by individual investors shall be considered as inflows from "retail investor".

- a) additional expenses, incurred towards different heads mentioned under Regulations 52(2) and 52(4), not exceeding 0.05 per cent of daily net assets of the Scheme;
- b) GST payable on investment and advisory service fees ('AMC fees') charged by quant Money Managers Limited;

Further, brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment shall not exceed 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions.

- B. Within the Total Expense Limit chargeable to the scheme, following will be charged to the Scheme:
- a) GST on other than investment and advisory fees, if any, (including on brokerage and transaction costs on execution of trades) shall be borne by the Scheme
  - b) Investor education and awareness initiative fees of at least 2 basis points on daily net assets of the Scheme.
- C. AMC fees charged by quant AMC to the scheme will be within the Total Expense Limit as prescribed by SEBI Regulations, as amended from time to time.

Expenses over and above the prescribed limit shall be charged / borne in accordance with the

Regulations prevailing from time to time.

The mutual fund would update the current expense ratios on its website ([www.quantmutual.com](http://www.quantmutual.com)) atleast three working days prior to the effective date of the change. Investors can refer 'Total Expense Ratio of Mutual Fund Schemes' section on <https://quantmutual.com/Total-Expense-Ratio> for Total Expense Ratio (TER) details.

#### Illustration of impact of expense ratio on scheme's returns

For any scheme, NAV is computed on a daily basis factoring in all the assets as well as liabilities of the Scheme (including expenses charged). Expenses charged to the Scheme bring down its NAV and hence the investor's net returns on a corresponding basis.

#### 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%

Please Note:

- The purpose of the above illustration is purely to explain the impact of expense ratio charged to the Scheme and should not be construed as providing any kind of investment advice or guarantee of returns on investments.
- It is assumed that the expenses charged are evenly distributed throughout the year. The expenses of the Direct Plan under the Scheme may vary with that of the Regular Plan under the Scheme.
- Calculations are based on assumed NAVs, and actual returns on your investment may be more, or less.
- Any tax impact has not been considered in the above example, in view of the individual nature of the tax implications. Each investor is advised to consult his or her own financial advisor.

#### 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](http://www.quantmutual.com)) or may call at **022-6295 5000** from 09.00 am to 06.00 pm (Monday to Friday) or can contact his distributor.

Type of Load	Load chargeable (as %age of NAV)	
Exit Load	<b>Investor exit upon subscription / switch-In</b>	<b>Exit Load as a % of redemption Proceeds</b>
	Day 1	0.0070%
	Day 2	0.0065%
	Day 3	0.0060%
	Day 4	0.0055%
	Day 5	0.0050%
	Day 6	0.0045%
	Day 7 onwards	0.0000%

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/ Investor Service Centres.

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 Redemption Price however, will not be lower than 95% of the NAV. Any imposition or enhancement of Load in future shall be applicable on prospective investments only.

At the time of changing the Load Structure:

1. An Addendum detailing the changes will be attached to Scheme Information Document and Key Information Memorandum. The addendum may be circulated to all the distributors / brokers so that the same can be attached to all Scheme Information Document and Key Information Memorandum already in stock.
2. The addendum will be displayed on the website of the AMC and arrangements will be made to display the addendum in the form of a notice in all the Investor Service Centres and distributors / brokers office.
3. The introduction of the Exit Load alongwith the details may be stamped in the acknowledgement slip issued to the Investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such Load.
4. A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
5. 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](https://quantmutual.com/Pdf/Definitions_and_Interpretation.pdf)

#### B. RISK FACTORS

##### Scheme Specific Risk

##### Factors

##### Risks associated with investments in Fixed Income Securities

**Interest-Rate Risk:** Fixed income securities such as government bonds, corporate bonds, money market instruments and derivatives run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices depends upon the coupon and maturity of the security. It also depends upon the yield level at which the security is being traded.

**Re-investment Risk:** Investments in fixed income securities carry re-investment risk as interest rates prevailing on the coupon payment or maturity dates may differ from the original coupon of the bond.

**Basis Risk:** The underlying benchmark of a floating rate security or a swap might become less active or may cease to exist and thus may not be able to capture the exact interest rate movements, leading to loss of value of the portfolio.

**Spread Risk:** In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.

**Liquidity Risk:** The liquidity of a bond may change, depending on market conditions leading to changes in the liquidity premium attached to the price of the bond. At the time of selling the security, the security can become illiquid, leading to loss in value of the portfolio.

**Liquidity Risk on account of unlisted securities:** The liquidity and valuation of the Schemes' investments due to their holdings of unlisted securities may be affected if they have to be sold prior to their target date of divestment. The unlisted security can go down in value before the divestment date and selling of these securities before the divestment date can lead to losses in the portfolio.

**Credit Risk:** This is the risk associated with the issuer of a debenture/bond or a Money Market Instrument defaulting on coupon payments or in paying back the principal amount on maturity. Even when there is no default, the price of a security may change with expected changes in the credit rating of the issuer. It is to be noted here that a Government Security is a sovereign security and is the safest. Corporate bonds carry a higher amount of credit risk than Government Securities. Within corporate bonds also there are different levels of safety and a bond rated higher by a particular rating agency is safer than a bond rated lower by the same rating agency.

**Settlement Risk:** Fixed income securities run the risk of settlement which can adversely affect the ability of the fund house to swiftly execute trading strategies which can lead to adverse movements in NAV.

##### Risk associated with Securitized Debt



The Scheme may invest in domestic securitized debt such as Asset Backed Securities (ABS) or Mortgage Backed Securities (MBS). ABS are securitized debts where the underlying assets are receivables arising from various loans including automobile loans, personal loans, loans against consumer durables, etc. MBS are securitized debts where the underlying assets are receivables arising from loans backed by mortgage of residential / commercial properties.

At present in Indian market, following types of loans are securitized:

1. Auto Loans (cars / commercial vehicles /two wheelers)
2. Residential Mortgages or Housing Loans
3. Consumer Durable Loans
4. Personal Loans
5. Corporate Loans

In terms of specific risks attached to securitization, each asset class would have different underlying risks. Residential Mortgages generally have lower default rates than other asset classes, but repossession becomes difficult. On the other hand, repossession and subsequent recovery of commercial vehicles and other auto assets is fairly easier and better compared to mortgages. Asset classes like personal loans, credit card receivables are unsecured and in an economic downturn may witness higher default. A corporate loan/receivable, depend upon the nature of the underlying security for the loan or the nature of the receivable and the risks correspondingly fluctuate.

The rating agencies define margins, over collateralisation and guarantees to bring risk in line with similar AAA rated securities. The factors typically analyzed for any pool are as follows:

- a. Assets securitized and Size of the loan: This indicates the kind of assets financed with the loan and the average ticket size of the loan. A very low ticket size might mean more costs in originating and servicing of the assets.
- b. Diversification: Diversification across geographical boundaries and ticket sizes might result in lower delinquency
- c. Loan to Value Ratio: Indicates how much % value of the asset is financed by borrower's own equity. The lower this value the better it is. This suggests that where the borrowers own contribution of the asset cost is high; the chances of default are lower.
- d. Average seasoning of the pool: This indicates whether borrowers have already displayed repayment discipline. The higher the number, the more superior it is.

The other main risks pertaining to Securitised debt are as follows:

Prepayment Risk: This arises when the borrower pays off the loan sooner than expected. When interest rates decline, borrowers tend to pay off high interest loans with money borrowed at a lower interest rate, which shortens the average maturity of ABS. However, there is some prepayment risk even if interest rates rise, such as when an owner pays off a mortgage when the house is sold or an auto loan is paid off when the car is sold.

Reinvestment Risk: Since prepayment risk increases when interest rates decline, this also introduces reinvestment risk, which is the risk that the principal can only be reinvested at a lower rate.

### **Risks associated with Covered Call Strategy**

The risk associated with covered calls is the loss of upside, i.e. if the shares are assigned (called away), the option seller forgoes any share price appreciation above the option strike price.

The Scheme may write covered call option only in case it has adequate number of underlying equity shares as per regulatory requirement. This would lead to setting aside a portion of investment in underlying equity shares. 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 if the view changes to sell and exit the stock. The covered call options need to be unwound before the stock positions can be liquidated. This may lead to a loss of opportunity, or can cause exit issues if the strike price at which the call option contracts have been written become illiquid. Hence, 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.

The writing of covered call option would lead to loss of opportunity due to appreciation in value of the underlying equity shares. Hence, when the appreciation in equity share price is more than the option premium received the scheme would be at a loss.

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 buy any options.

#### **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).

#### **Risk Factor associated with debt instruments having credit enhancement:**

The Scheme may invest in debt instruments having credit enhancement backed by equity shares/guarantees or other any assets as collateral. The profile of these issuers tend to be relatively weak and there may be a pledge of shares of a related party to enhance credit quality or guarantees provided or any other asset provided as security acceptable to lenders.

Where equity shares are provided as collateral there is the risk of sharp price volatility of underlying securities which may lead to erosion in value of collateral which may affect the ability of the fund to enforce collateral and recover capital and interest obligations. Also there is a possibility of guarantor going insolvent which also can impact the recovery value of exposure. In case of credit enhanced structures backed by equity share the liquidity of the underlying shares may be low leading to a lower recovery and a higher impact cost of liquidation. In case of other assets provided recovery value and enforce ability of asset can also be a risk factor which can lower the recovery value.

#### **Risks associated with Short Selling & Securities Lending**

Securities Lending is lending of securities through an approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the securities borrowed. There are risks inherent in 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. Such failure can result in a possible loss of rights to the collateral, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon.

Short-selling is the sale of shares or securities that the seller does not own at the time of trading. Instead, he borrows it from someone who already owns it. Later, the short seller buys back the stock/security he shorted and returns the stock/security to the lender to close out the loan. The inherent risks are Counterparty risk and liquidity risk of the stock/security being borrowed. The security being short sold might be illiquid or become illiquid and covering of the security might occur at a much higher price level than anticipated, leading to losses.

### **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 clause 12.12 of Master Circular dated June 27, 2024, 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.

### **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.

The steps will be as follows:

Assuming the swap is for Rs. 20 Crores for June 1, 2009 to December 1, 2009. The Scheme is a fixed rate receiver at 12% and the counterparty is a floating rate receiver at the overnight rate on a compounded basis (say NSE MIBOR).

On June 1, 2009 the Scheme and the counterparty will exchange only a contract of having entered this swap. This documentation would be as per International Swap Dealers Association (ISDA) norms.

On a daily basis, the benchmark rate fixed by NSE will be tracked by them. On December 1, 2009 they will calculate the following:

- The Scheme is entitled to receive interest on Rs. 20 Crores at 12% for 184 days i.e. Rs. 1.21 Crores, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
- The counterparty is entitled to receive daily compounded call rate for 184 days & pay 12% fixed.
- On December 1, 2009, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 1.21 Crores, the Scheme will pay the difference to the counterparty. If the daily compounded benchmark rate is lower, then the counterparty will pay the Scheme the difference.
- Effectively the Scheme earns interest at the rate of 12% p.a. for six months without lending money for 6 months fixed, while the counterparty pays interest @ 12% p.a. for 6 months on Rs. 20 Crores, without borrowing for 6 months fixed.

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

### Forward Rate Agreement

Assume that on 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.

#### 12<sup>th</sup> October 2009

- The benchmark ten year paper 6.88 2009, is trading at INR 98.00 at a yield of 7.19%.
- December 2009 futures contract on the ten year notional 7% coupon bearing Government paper is trading at a yield of 7.29% at a price of INR 98.50.
- The mutual fund decides to hedge the exposure by taking a short position in December 2009 interest rate futures contract.

## 25<sup>th</sup> November 2009

- As expected by the fund manager the yield of the benchmark ten year paper has increased to 8% and the price has decreased to 92.70.
- The December 2009 futures contract is trading at a price of INR 93.17 indicating a yield of 8.05%
- The mutual fund unwinds the short position by buying the December 2009 futures contract. The transaction results in profit from the futures position, against the corresponding loss from the Government of India security position.

## 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:

### 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.

### 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.

The following are certain additional disclosures w.r.t. investment in securitized debt:

#### **1. How the risk profile of securitized debt fits into the risk appetite of the Scheme**

Securitized debt is a form of conversion of normally non-tradable loans to transferable securities. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through-Certificates (PTCs). These PTCs are transferable securities with fixed income characteristics. The risk of investing in securitized debt is similar to investing in debt securities. However it differs in two respects.

Typically the liquidity of securitized debt is less than similar debt securities. For certain types of securitized debt (backed by mortgages, personal loans, credit card debt, etc.), there is an additional pre-payment risk. Pre-payment risk refers to the possibility that loans are repaid before they are due, which may reduce returns if the re-investment rates are lower than initially envisaged.

Because of these additional risks, securitized debt typically offers higher yields than debt securities of similar credit rating and maturity. If the fund manager judges that the additional risks are suitably compensated by the higher returns, he may invest in securitized debt up to the limits specified in the asset allocation table above.

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

The originator is the person who has initially given the loan. The originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). An analysis of the originator is especially important in case of retail loans as this affects the credit quality and servicing of the PTC. The key risk is that of the underlying assets and not of the originator. For example, losses or performance of earlier issuances does not indicate quality of current series. However such past

performance may be used as a guide to evaluate the loan standards, servicing capability and performance of the originator.



Originators may be: Banks, Non Banking Finance Companies, Housing Finance Companies, etc. The fund manager / credit analyst evaluates originators based on the following parameters

- Track record
- Willingness to pay, through credit enhancement facilities etc.
- Ability to pay
- Business risk assessment, wherein following factors are considered:
  - Outlook for the economy (domestic and global)
  - Outlook for the industry
  - Company specific factors

In addition a detailed review and assessment of rating rationale is done including interactions with the originator as well as the credit rating agency.

The following additional evaluation parameters are used as applicable for the originator / underlying issuer for pool loan and single loan securitization transactions:

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

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

An analysis of the originator is especially important in case of retail loans as the size and reach affects the credit quality and servicing of the PTC. In addition, the quality of the collection process, infrastructure and follow-up mechanism; quality of MIS; and credit enhancement mechanism are key risk mitigants for the better originators / servicers.

In case of securitization involving single loans or a small pool of loans, the credit risk of the underlying borrower is analyzed. In case of diversified pools of loans, the overall characteristic of the loans is analyzed to determine the credit risk. The credit analyst looks at ageing (i.e. how long the loan has been with the originator before securitization) as one way of evaluating the performance potential of the PTC. Securitization transactions may include some risk mitigants (to reduce credit risk). These may include interest subvention (difference in interest rates on the underlying loans and the PTC serving as margin against defaults), overcollateralization (issue of PTCs of lesser value than the underlying loans, thus even if some loans default, the PTC continues to remain protected), presence of an equity / subordinate tranche (issue of PTCs of differing seniority when it comes to repayment - the senior tranches get paid before the junior tranche) and / or guarantees.

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

In case of securitization involving single loans or a small pool of loans, the credit risk of the borrower is analyzed. In case of diversified pools of loans, the overall characteristic of the loans is analyzed to determine the credit risk.

The credit analyst looks at ageing (i.e. how long the loan has been with the originator before securitization) as one way of judging the performance potential of the PTC. Additional risk mitigants may include interest subvention, over collateralization, presence of an equity / subordinate tranche and / or guarantees. The credit analyst also uses analyses by credit rating agencies on the risk profile of the securitized debt.

Currently, the following parameters are used while evaluating investment decision relating to a pool securitization transaction. The Investment Review Committee may revise the parameters from time to time.

Characteristics/ Type of Pool	Mortgage Loan	Commercial Vehicle and Construction Equipment	CAR	2 wheelers	Micro Finance Pools *	Personal Loans *	Single Sell Downs	Others
<b>Approximate Average maturity (in Months)</b>	Upto 10 years	Upto 3 years	Upto 3 years	Upto 3 years	NA	NA	Refer Note 1	Refer Note 2
<b>Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche)</b>	>10%	>10%	>10%	>10%	NA	NA	"	"
<b>Average Loan to Value Ratio</b>	<90%	<80%	<80%	<80%	NA	NA	"	"
<b>Average seasoning of the Pool</b>	>3 months	>3 months	>3 month s	>3 months	NA	NA	"	"
<b>Maximum single exposure range</b>	<1%	<1%	<1%	<1%	NA	NA	"	"
<b>Average single exposure range %</b>	<1%	<1%	<1%	<1%	NA	NA	"	"

\* Currently, the Scheme will not invest in these types of securitized debt.

Note 1: In case of securitization involving single loans or a small pool of loans, the credit risk of the borrower is analyzed. The investment limits applicable to the underlying borrower are applied to the single loan sell-down.

Note 2: Other investments will be decided on a case-to-case basis

The credit analyst may consider the following risk mitigating measures in his analysis of the securitized debt:

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

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

Issuance of securitized debt is governed by the Reserve Bank of India. RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements. In addition, RBI has proposed minimum holding period of between nine and twelve months for assets before they can be securitized.

The minimum holding period depends on the tenor of the securitization transaction. The Scheme will invest

in securitized debt that is compliant with the laws and regulations.

**6. Minimum retention percentage by originator of debts to be securitized**

Issuance of securitized debt is governed by the Reserve Bank of India. RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements, including maximum exposure by the originator in the PTCs. In addition, RBI has proposed minimum retention requirement of between five and ten percent of the book value of the loans by the originator. The minimum retention requirement depends on the tenor and structure of the securitization transaction. The Fund will invest in securitized debts that are compliant with the laws and regulations.

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

The key risk is securitized debt relates to the underlying borrowers and not the originator. In a securitization transaction, the originator is the seller of the debt(s) and the fund is the buyer. However, the originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). As the originators may also invest in the scheme, the fund manager shall ensure that the investment decision is based on parameters as set by the Investment Review Committee (IRC) of the Asset Management Company and IRC shall review the same at regular interval.

**8. The resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt**

The fund management team including the credit analyst has the experience to analyze securitized debt. In addition, credit research agencies provide analysis of individual instruments and pools. On an ongoing basis (typically monthly) the servicer provides reports regarding the performance of the pool. These reports would form the base for ongoing evaluation where applicable. In addition, rating reports indicating rating changes would be monitored for changes in rating agency opinion of the credit risk.

**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

#### 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

The scheme may invest in units of debt and liquid mutual fund schemes of quant AMC or in the Scheme of other mutual funds in conformity with the investment objective of the Scheme and in terms of the prevailing SEBI (MF) Regulations. Provided that such investment will be within the limits specified under SEBI (MF) Regulations and will be done for cash management purposes.

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?

1. The mutual fund having an aggregate of securities which are worth Rs. 10 crores or more, as on the latest balance-sheet date, shall subject to such instructions as may be issued from time to time by the Board settle their transactions, only through dematerialised securities.
2. The mutual fund shall not borrow except to meet temporary liquidity needs of the mutual funds for the purpose of repurchase, redemption of units or payment of interest or dividend to the unitholders: Provided that the mutual fund shall not borrow more than 20 per cent of the net asset of the scheme and the duration of such a borrowing shall not exceed a period of six months.  
  
Save as otherwise expressly provided under these regulations, the mutual fund shall not advance any loans for any purpose.
3. A mutual fund may lend and borrow securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the Board.
4. A mutual fund may enter into short selling transactions on a recognized stock exchange, subject to the framework relating to short selling and securities lending and borrowing specified by the Board.
5. A mutual fund 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 authorised to carry out such activity

under the Act. Such investment limit may be extended to 12% of the NAV of the scheme with the prior approval of the Board of Trustees and Board of Directors of the asset management company:

Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and [triparty repo on Government securities or treasury bills]:

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

Provided further that such limit shall not be applicable for investments in case of debt exchange traded funds or such other funds as may be specified by the Board from time to time.

6. A mutual fund scheme shall not invest in unlisted debt instruments including commercial papers, except Government Securities and other money market instruments:

Provided that Mutual Fund Schemes 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 mutual fund schemes 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 mutual fund schemes in unrated debt instruments shall be specified by the Board from time to time.

As per these norms, investments 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 shall not exceed 5% of net assets of the Scheme.

Further, the Scheme shall comply with provisions of clauses 4.3.1 and 12.1 of Master Circular regarding investment in Debt and Money Market Instruments, as amended from time to time, to the extent applicable to the Scheme.

7. Transfer of investments from one scheme to another scheme in the same Mutual Fund, shall be allowed only if: -

- a) such transfers are made at the prevailing market price for quoted Securities on spot basis  
Explanation: spot basis shall have the same meaning as specified by Stock Exchange for spot transactions.

Provided that inter scheme transfer of money market or debt security (irrespective of maturity) shall take place based on prices made available by valuation agencies as prescribed by SEBI from time to time.

- b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
- c) Inter Scheme Transfers are effected in accordance with the guidelines specified by clause 12.30 of SEBI Master Circular as amended from time to time.

8. A scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate inter scheme investment made by all 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 mutual fund [Provided that this clause shall not apply to any fund of funds scheme.]
9. The mutual fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:

Provided that a mutual fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the Board:

[Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the Board.]

[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.]

10. The mutual fund shall get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.
11. Pending deployment of funds of a scheme in terms of investment objectives of the scheme, a mutual fund may invest them in short term deposits of schedule commercial banks, subject to such Guidelines as may be specified by the Board.
12. The scheme shall follow the guidelines for parking of funds in short term deposits as specified in clause 12.16 of SEBI Master Circular.
  - (a) "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
  - (b) Such short-term deposits shall be held in the name of the Scheme.
  - (c) The Scheme(s) shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee.
  - (d) Parking 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.
  - (e) 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.
  - (F) The Scheme shall not park funds in short-term deposit of a bank, which has invested in the Scheme.
  - (g) Trustees/AMC shall also take steps to ensure that a bank in which the Scheme has short term deposit does not invest in the Scheme until the Scheme has short term deposit with such bank.
  - (h) No investment management and advisory fees will be charged for such investments in the respective Scheme.
  - (i) The aforesaid limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives market.
13. The Scheme shall invest in Debt instruments having Structured Obligations/Credit Enhancements in accordance with provisions of clause 4.3.1 of Master Circular as may be amended by SEBI from time to time
14. The Scheme shall not make any investments in: (a) any unlisted security of an associate or group company of the Sponsors; (b) any security issued by way of private placement by an associate or group company of the Sponsors; (c) the listed securities of group companies of the Sponsors which is in excess of 25% of the net assets; (d) any fund of funds scheme.

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

### C. FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the scheme, in terms of Clause 1.14 of SEBI Master Circular for Mutual Funds dated June 27, 2024:

#### (i) Type of a Scheme

An open ended Liquid Scheme.

#### (ii) Investment Objective:

**Main Objective** - Growth

The investment objective of the scheme is to generate income through a portfolio comprising money market and debt instruments. There is no assurance that the investment objective of the Scheme will be achieved..

**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 III 'Units and Offer')
- 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 18(15A) of SEBI (MF) Regulations, 1996 and in terms of Clause 1.14.1.4 of SEBI Master Circular for Mutual Funds dated June 27, 2024, the Trustees shall ensure that no change in the fundamental attributes of the Scheme and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme 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 about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unitholders are given an option for a period of atleast 30 calendar days to exit at the prevailing Net Asset Value without any exit load.

### D. Other Scheme Specific Disclosures:

Listing and transfer of units	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.
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 (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 Policy ( IDCW )	<p>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.</p> <p>The AMC/Trustee reserves the right to change the frequency of declaration of IDCW or may provide for additional frequency for declaration of IDCW.</p> <p><b>IDCW Distribution Procedure</b></p> <p>In accordance with Clause 11 of Master Circular dated June 27, 2024, the procedure for distribution would be as under:</p> <ol style="list-style-type: none"> <li>1. Quantum of IDCW and the record date will be fixed by the Trustee. IDCW so decided shall be paid, subject to availability of distributable surplus.</li> <li>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.</li> <li>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.</li> <li>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).</li> <li>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.</li> </ol> <p>However, the requirement of giving notice shall not be applicable for IDCW options having frequency up to one month.</p>



Allotment (Detailed procedure)	<p>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. 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.</p> <p><b>Dematerialization</b> 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.</p> <p>Units held in demat form are freely transferable. If the Unit holder desires to hold the Units in a Dematerialized / Rematerialized form at a later date, the request for conversion of units held in Account Statement (non demat) form into Demat (electronic) form or vice versa should be submitted alongwith a Demat/Remat Request Form to their Depository Participants. 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.</p> <p><b>Allotment Confirmation</b> 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.</p> <p>Note: Allotment of units will be done after deduction of applicable stamp duty and transaction charges, if any.</p>
Refund	Not Applicable.

<p><b>Who can invest</b> This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.</p>	<p>The following persons (i.e. an indicative list of persons) are eligible and may apply for subscription to the Units of the Scheme provided they are not prohibited by any law/ Constitutive documents governing them:</p> <ol style="list-style-type: none"> <li>1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis;</li> <li>2. Karta of Hindu Undivided Family (HUF);</li> <li>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 holding in 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.</li> <li>4. Partnership Firms &amp; Limited Liability Partnerships (LLPs);</li> <li>5. Companies, Bodies Corporate, Public Sector Undertakings, Association of Persons or bodies of individuals and societies registered under the Societies Registration Act, 1860, Co-Operative Societies registered under the Co-Operative Societies Act, 1912, One Person Company;</li> <li>6. Banks &amp; Financial Institutions;</li> <li>7. Mutual Funds/ Alternative Investment Funds registered with SEBI;</li> <li>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;</li> <li>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;</li> <li>10. Foreign Portfolio Investors (FPI) registered with SEBI in accordance with applicable laws;</li> <li>11. Army, Air Force, Navy and other paramilitary units and bodies created by such institutions;</li> <li>12. Council of Scientific and Industrial Research, India;</li> <li>13. Multilateral Financial Institutions/ Bilateral Development Corporation Agencies/ Bodies Corporate incorporated outside India with the permission of Government of India/ Reserve Bank of India;</li> <li>14. Other Schemes of Mutual Fund subject to the conditions and limits prescribed by SEBI (MF) Regulations;</li> <li>15. Trustee, AMC, Sponsor and their associates may subscribe to Units under the Scheme;</li> <li>16. 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.</li> </ol> <p><b>Note:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>2. In case of application(s) made by Individual Investors under</li> </ol>
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	<p>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.</p> <p>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) 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.</p> <p>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. 6. 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.</p>
Who cannot invest	<p>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:</p> <p>a. NRIs/PIOs may invest/transact, in the Scheme, when present in India, as lump sum subscription, redemption and/or</p>

	<p>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.</p> <p>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.</p> <p>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 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.</p> <p>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.</p> <p>2. Residents of Canada;</p> <p>3. Investor residing in any Financial Action Task Force (FATF)designated High Risk jurisdiction.</p> <p>*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.</p>
How to Apply and other details	<p>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 <a href="http://www.quantmutual.com">www.quantmutual.com</a>.</p> <p>For further details, refer to the SAI and Application form for the instructions.</p> <p>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  <a href="https://quantmutual.com/about-us/contact-us">https://quantmutual.com/about-us/contact-us</a> .</p> <p>2. Please refer the last page of SID for Name, address and contact no. of Registrar and Transfer Agent (R&amp;T), email id of R&amp;T, website address of R&amp;T, official points of acceptance.</p>

	<p>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.</p> <p>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 &amp; 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.</p> <p>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.</p>
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.	<p><b>SUSPENSION OF SALE OF UNITS OF THE SCHEME</b></p> <p>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:</p> <ol style="list-style-type: none"> <li>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.</li> <li>2. In case of natural calamities, war, strikes, riots and bandhs.</li> <li>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</li> <li>4. If so directed by SEBI.</li> </ol> <p><b>RIGHT TO RESTRICT REDEMPTION AND / OR SUSPEND REDEMPTION OF THE UNITS</b> (as per para 1.12 of SEBI Master Circular dated June 27, 2024 as may be amended from time to time):</p> <p>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)</p>

	<p>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).</p> <p>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.</p> <p>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:</p> <ol style="list-style-type: none"> <li>1. Liquidity issues- when market at large becomes illiquid affecting almost all securities rather than any issuer specific security; or</li> <li>2. Market failures / exchange closures; or</li> <li>3. Operational issues; or</li> <li>4. If so directed by SEBI.</li> </ol> <p>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.</p> <p>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.</p> <p>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.</p>
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<p>Cut off timing for subscriptions/ redemptions/ switches</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p>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:</p> <p><b>A] For Purchase (including switch-in) of any amount:</b></p> <ul style="list-style-type: none"> <li>• In respect of valid applications received upto 1.30 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.</li> <li>• In respect of valid applications received after 1.30 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.</li> <li>• 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.</li> </ul> <p><b>B] For Switch-ins of any amount: For determining the applicable NAV, the following shall be ensured:</b></p> <ul style="list-style-type: none"> <li>• Application for switch-in is received before the applicable cutoff time.</li> <li>• 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.</li> <li>• The funds are available for utilization before the cut-off time.</li> <li>• In case of 'switch' transactions from one scheme to another, the allocation shall be in line with redemption payouts.</li> </ul> <p><b>For Redemption/ Repurchases/Switch out:</b></p> <p>The following cut-off timings shall be observed by the Mutual Fund in respect of Repurchase of units:</p> <ol style="list-style-type: none"> <li>a.where the application received upto 3.00 pm – closing NAV of the day of receipt of application; and</li> <li>b.an application received after 3.00 pm – closing NAV of the next Business Day.</li> </ol>
<p>Minimum amount for purchase/redemption/switches</p>	<p>Minimum amount for Purchase/Switch in Rs. 5,000 and in multiples of Re. 1/- thereafter</p> <p>Minimum Additional Purchase/Switch in Amount Rs.1,000 and in multiples of Re. 1/- thereafter</p> <p><b>Non applicability Minimum Application Amount (Lump-sum) and Minimum Redemption amount</b></p> <p>SEBI vide its Clause 6.10 of SEBI Master Circular dated June 27, 2024 (Alignment of interest of Designated Employees of Asset Management Companies (AMCs) with the Unitholders of the Mutual Fund Schemes), SEBI Mutual Fund Amendment dated 14th February 2025 and SEBI Circular dated 21 March 2025, has inter alia mandated that the AMC shall invest a certain percentage of the remuneration of such employees as specified by SEBI in units of the Mutual Fund schemes based on the roles of the Designated Employees.</p>



	<p>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).</p> <p><b>Minimum Redemption Amount/Switch Out</b> 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.</p> <p>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.</p> <p>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.</p>
Accounts Statements	<p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 business days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).</p> <p>A consolidated Account Statement and Monthly CAS shall be issued to investors that have opted for delivery via electronic mode (e-CAS) by the twelfth (12th) day from the month end, detailing all the transactions across all schemes of quant Mutual Fund and to investors that have opted for delivery via physical mode by the fifteenth (15th) day from the month end.</p> <p>The CAS will be dispatched by email to all the investors whose email addresses are registered with the Depositories and AMCs/MF-RTAs. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered with the Depositories and the AMCs/MF-RTAs. The depositories shall also intimate the investor on quarterly basis through the SMS mode specifying the email id on which the CAS is being sent.</p> <p>If there is any transaction in any of the demat accounts of the investor or in any of his mutual fund folios, then CAS shall be sent to that investor through email on monthly basis. In case there is no transaction in any of the mutual fund and demat accounts then CAS with holding details shall be sent to the investors by email on half yearly basis.</p>

	<p>The depositories shall dispatch the CAS to investors that have opted for delivery via electronic mode, on or before the eighteenth (18th) day of April and October and to investors that have opted for delivery via physical mode, on or before the twenty-first (21st) day of April and October.</p> <p>However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered with the Depositories and the AMCs/MF-RTAs.</p> <p>In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/ account statement.</p> <p>The transactions viz. purchase redemption, switch, etc., carried out by the Unit holders shall be reflected in the CAS on the basis of Permanent Account Number (PAN).</p> <p>The CAS shall not be received by the Unit holders for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN.</p> <p>In case of a specific request received from the Unit holders, the AMC will provide an account statement (reflecting transactions of the Fund) to the investors within 5 Business Days from the receipt of such request, by mail/email.</p> <p>The Unit holder without any charges may request for a physical account statement by writing to/calling the AMC/ISC/RTA. The Mutual Fund/ AMC shall dispatch an account statement within 5 Business Days from the date of the receipt of request from the Unit holder.</p> <p>Half Yearly CAS shall be issued to investors that have opted for e-CAS on or before the eighteenth (18th) day of April and October, to all investors providing the prescribed details across all schemes of mutual funds and to investors that have opted for delivery via physical mode by the twenty first (21st) day of April and October.</p> <p>The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically.</p> <p>The Account Statement shall state that the net investment as gross subscription less transaction charges, if any and specify the no. of units allotted against the net investment.</p> <p>CAS for investors having Demat account:</p> <ul style="list-style-type: none"> <li>• Investors having MF investments and holding securities in Demat account shall receive a single Consolidated Account Statement (CAS) from the Depository.</li> <li>• Consolidation of account statement shall be done on the basis of Permanent Account Number (PAN). In case of multiple holding, it shall be PAN of the first holder and pattern of holding. The CAS shall be generated on a monthly basis.</li> <li>• If there is any transaction in any of the Demat accounts of the investor or in any of his mutual fund folios, depositories</li> </ul>
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	<p>shall send the CAS within ten days from the month end. In case, there is no transaction in any of the mutual fund folios and demat accounts then CAS with holding details shall be sent to the investor on half yearly basis.</p> <ul style="list-style-type: none"> <li>• In case an investor has multiple accounts across two depositories, the depository with whom the account has been opened earlier will be the default depository.</li> <li>• No Account Statements will be issued by the AMC to Unit holders who hold units in dematerialized mode. For Units in dematerialised mode, the Account Statements may be obtained by the Investor from the depository participants with whom the investor holds the DP account.</li> </ul> <p>The dispatch of CAS by the depositories would constitute compliance by the AMC/ the Mutual Fund with the requirement under Regulation 36(4) of SEBI (Mutual Funds) Regulations and as per SEBI Circular Reference no. SEBI/HO/MRD/PoD1/CIR/P/2025/16 dated February 14, 2025.</p>
Dividend/ IDCW	The payment of dividend/IDCW to the unitholders shall be made within seven working days from the record date.
Redemption	<p>The redemption or repurchase proceeds shall be dispatched to the unitholders within one working days from the date of redemption or repurchase.</p> <p>For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds dated June 27, 2024.</p>
Bank Mandate	<p>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.</p> <p>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 &amp; 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.</p> <p>Investors have an option of registering multiple bank accounts, by submitting the necessary forms &amp; documents. At the time of redemption, investors can select the bank account to receive the amount.</p>
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 clause 14.2 of SEBI Master Circular for Mutual Funds dated June 27, 2024 by SEBI for the period of such delay.
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

	<p>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 Unit Holders.</p> <p><a href="https://app.mfcentral.com/links/inactive-folios">https://app.mfcentral.com/links/inactive-folios</a></p>
Disclosure w.r.t investment by minors	<p>Payment for investment by any mode 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 parent or legal guardian. For existing folios, the AMC shall accept a Change of Pay-out Bank mandate before redemption is processed.</p> <p>Irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified bank account of the minor, i.e. the account the minor may hold with parent/legal guardian after completing all KYC formalities.</p> <p>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.</p> <p>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.</p> <p>AMCs shall not accept requests for redemption from a claimant pending completion of the transmission of units in his / her favour.</p> <p>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.</p>

### III. Other Details

#### A. Periodic Disclosures such as Half yearly disclosures, half yearly results, annual report

<p>Monthly and Half yearly Disclosures: Portfolio / Financial Results</p> <p>This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	<p>The Mutual Fund shall disclose the Portfolio of the Scheme as on the last day of the month on its website: <a href="https://quantmutual.com/statutory-disclosures">https://quantmutual.com/statutory-disclosures</a> on or before the tenth day of the succeeding month in the prescribed format.</p> <p>The Mutual Fund shall provide a complete statement of the Scheme portfolio within ten days from the close of each half year (i.e. 31st March and 30th September), in the manner specified by SEBI. The Portfolio Statement will also be displayed on the website of the AMC and AMFI.</p> <p>Paragraph 5.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024, the AMC 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 its website: <a href="https://quantmutual.com/statutory-disclosures">https://quantmutual.com/statutory-disclosures</a> and publish a notice regarding availability of the same in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the mutual fund is situated</p>
Half Yearly Results	<p>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.</p> <p>The mutual fund shall publish an advertisement disclosing the hosting of such financial results on their website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated.</p> <p>The unaudited financial results will also be displayed on the website of the AMC <a href="https://quantmutual.com/statutory-disclosures">https://quantmutual.com/statutory-disclosures</a> and AMFI website.</p>
Annual Report	<p>The Scheme wise annual report or an abridged summary thereof shall be provided to all Unit holders not later than four months (or such other period as may be specified by SEBI from time to time) from the date of closure of the relevant accounting year (i.e. 31st March each year) in the manner specified by SEBI. The mutual fund 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, if any.</p> <p>Scheme wise annual report shall also be displayed on the website of the AMC <a href="https://quantmutual.com/statutory-disclosures">https://quantmutual.com/statutory-disclosures</a> and Association of Mutual Funds in India (<a href="http://www.amfiindia.com">www.amfiindia.com</a>).</p> <p>A link of the scheme annual report or abridged summary shall be displayed prominently on the website of the Fund and shall also be displayed on the website of Association of Mutual Funds in India (AMFI).</p> <p>Scheme wise annual report shall also be displayed on the website of the AMC <a href="https://quantmutual.com/statutory-disclosures">https://quantmutual.com/statutory-disclosures</a> and Association of Mutual Funds in India (<a href="http://www.amfiindia.com">www.amfiindia.com</a>).</p>
Product Labeling	<p>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 Clause 17.4 of Master Circular dated June 27, 2024 and the same shall be evaluated and updated on a monthly basis.</p>

Disclosure of Risk-o-meter of schemes and benchmark	In terms of Clause 5.16 of Master Circular dated June 27, 2024, the risk-o-meter of the schemes and benchmark shall be disclosed while disclosing the performance of the schemes from time to time.
AMFI Best Practice Guidelines Circular No.118 /2024-25) on Acceptance of financial transactions through email in respect of non-individual investor.	<p>Non-individual Investors are requested to note the following:</p> <p>1.Risks Involved in Transacting via Email The Non-individual investor acknowledges and accepts the inherent risks associated with conducting financial transactions via email. These risks 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.</p> <p>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.</p> <p>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.</p> <p>4.Retention of Transaction Records The 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.</p> <p>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.</p>



	<p>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.</p> <p>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 instructions have 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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>
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.



## B. Transparency/NAV Disclosure (Details with reference to information given in Section I)

<p><b>Net Asset Value</b></p> <p>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>The NAVs will be calculated and disclosed on all the Business Days. The AMC shall update the NAVs on the website of Association of Mutual Funds in India - AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>) before 11.00 p.m. on every Business Day and shall also update the NAVs on the website of AMC (<a href="http://www.quantmutual.com">www.quantmutual.com</a>) 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.</p> <p>Information regarding NAV can be obtained by the Unit holders / Investors by calling or visiting the nearest ISC.</p>
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## C. Transaction charges and stamp duty

Transaction Charges	Not applicable
Stamp Duty	<p>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.</p> <p>*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.</p> <p>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.</p>

**D. Associate Transactions-** Please refer to Statement of Additional Information (SAI).

**E. Taxation-** For details on taxation please refer to the clause on Taxation in the SAI apart from the following:

The information is provided for general information purposes only. However, in view of the individual nature of tax implications, each investor is advised to consult his or her own tax adviser with respect to the specific tax implications arising out of his or her participation in the scheme.

Tax	Resident Investors	Non-Resident Investors	Mutual Fund
<b>Tax on Income Distribution under IDCW Option</b>	Slab rates plus applicable surcharge and cess <sup>2</sup>	20% plus applicable surcharge and cess <sup>2</sup>	Nil

Capital Gains Short Term Capital Gains on investments in Specified Mutual Funds <sup>1</sup>  (irrespective of period of holding)  Short Term Capital Gains on Non-Equity Funds (other than Specified Mutual Funds) <sup>1</sup>  (period of holding up to 24 months)	Slab rates plus applicable surcharge and cess  Slab rates plus applicable surcharge and cess	Slab rates plus applicable surcharge and cess <sup>2</sup>  Slab rates plus applicable surcharge and cess <sup>2</sup>	Nil
Long Term Capital Gains on Non-Equity Funds (other than Specified Mutual Funds) <sup>1</sup>  (period of holding more than 24 months)	12.50% (without indexation benefit)	12.50% (without indexation and foreign exchange fluctuation benefit) <sup>2</sup>	Nil

1. Non-Equity Funds are those funds wherein equity exposure is less than 65% of total proceeds of such fund.

As per Section 50AA of the Income-tax Act, 1961, investments in Specified Mutual Funds on or after April 1, 2023 shall be deemed to be short term capital assets irrespective of holding period.

Up to 31st March 2025, a "Specified Mutual Fund" means a Mutual Fund by whatever name called, where not more than 35% of its total proceeds is invested in the equity shares of domestic companies. The percentage of equity shareholding held in respect of the Specified Mutual Fund shall be computed with reference to the annual average of the daily closing figures. It is possible that an "equity-oriented fund" which invests in units of another equity fund instead of investing directly in equity shares of domestic company may be regarded as "specified mutual fund" and taxed accordingly.

From 1st April 2025 onwards, a "Specified Mutual Fund" means: (a) a Mutual Fund by whatever name called, which invests more than 65% of its total proceeds in debt and money market instruments; or (b) a fund which invests 65% or more of its total proceeds in units of a fund referred to in (a). The percentage of investment in debt and money market instruments or in units of a fund, as the case may be, in respect of the Specified Mutual Fund, shall be computed with reference to the annual average of the daily closing figures.

2.The Mutual Fund will pay/deduct taxes as per the applicable tax laws on the relevant date considering the provisions of the Income-tax Act, 1961 read with the Income-tax Rules, 1962 and any circulars or notifications or directives or instructions issued thereunder. Please note that grant of DTAA benefit, if any, is subject to fulfilment of stipulated conditions under the provisions of the Income-tax Act, 1961 and the relevant DTAA as well as interpretation of relevant Article of such DTAA.

In case of Resident Investors: TDS is applicable at the rate of 10% on income distributed in excess of Rs.10,000 by a mutual fund.

In case of Non-Resident Investors: TDS is applicable on any income in respect of units of a Mutual Fund at lower of 20% (plus applicable surcharge and cess) or rate of income-tax provided in the relevant DTAA (read with CBDT Circular no. 3/2022 dated 3rd February 2022), provided such investor furnishes valid Tax Residency Certificate (TRC) for concerned FY. Tax will be deducted on Short-term/Long-term capital gains at the tax rates (plus applicable Surcharge and Health and Education Cess) specified in the Finance Act 2025 at the time of redemption of units in case of Non-Resident investors (other than FIIs) only.

TDS at higher rates: In case PAN is not furnished or PAN is inoperative, then TDS as per Section 206AA of the Income-tax Act, 1961 would apply (higher of specified rate or rates in force or 20%) would apply, subject to Rule 37BC of the Income-tax Rules, 1962.

Investors are requested to note that the tax position prevailing at the time of investment may change in future due to statutory amendment(s). The Mutual Fund will pay/deduct taxes as per the applicable tax laws on the relevant date considering the provisions of the Income-tax Act, 1961. Additional tax liability, if any, imposed on investors due to such changes in the tax structure, shall be borne solely by the investors and not by the AMC or Trustee.

3. Under section 10(23D) of the Income tax Act, 1961, income earned by a Mutual Fund registered with SEBI is exempt from income tax. quant Mutual Fund is registered with Securities and Exchange Board of India (SEBI) and is as such eligible for benefits u/s. 10(23D) of the Income-tax Act, 1961.

**F. Rights of Unitholders-** Please refer to SAI for details.

**G. List of official points of acceptance:** Details are uploaded on:

<https://quantmutual.com/QuantTransaction/QuantTransactionApr.html#custom-tabs-four-settings>

**H. 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/Penalties.pdf> or latest updates

**Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.**

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

**Sd/-  
Sandeep Tandon  
Chief Executive Officer**

**Date:** May 30, 2025

**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](mailto:quantqueries@kfintech.com)

Website address of R&T: <https://www.kfintech.com>

**OFFICIAL POINTS OF ACCEPTANCE OF qUANT MF FOR ONGOING TRANSACTIONS**

- a. 6th floor, Sea Breeze Building, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025
- b. 205/206, Vaibhav Chambers, Madhusudan Kalelkar Rd, Kala Nagar, Bandra East, Mumbai, Maharashtra 400051

DETAILS OF qMF INVESTOR SERVICE CENTER OFFICES - KFIN TECHNOLOGIES PRIVATE 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, <http://www.mfuindia.com/MFUPOS> i.e. online transaction portal of MFU.

quant Money Managers Limited (Investment Manager to quant Mutual Fund) 6<sup>th</sup> Floor, Sea Breeze Building, AppaSaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, India.

TEL 022-6295 5000 EMAIL [help.investor@quant.in](mailto:help.investor@quant.in) WEB [www.quantmutual.com](http://www.quantmutual.com)

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